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Magazine of  
Retail Credit

# The CREDIT WORLD



ARTHUR P. LOVETT  
Nineteenth President  
National Retail Credit Association

JUNE, 1934

Vol. XXII No. 9

TREAT YOUR CREDIT  
AS A  
SACRED TRUST

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# The CREDIT WORLD

Official Magazine of the NATIONAL RETAIL CREDIT ASSOCIATION

June, 1934

Vol. XXII

No. 9

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CHANGE OF ADDRESS: Please notify us promptly of any change of address so that you may not miss any issues. With your new address it is absolutely necessary that you also send us your old one. Entered as second-class matter at the Post Office at St. Louis, Mo., under the Act of March 3, 1879. Published Monthly. Subscription, \$2.00.

This publication carries authoritative notices and articles in regard to the activities of the National Retail Credit Association.



In all other respects the Association cannot be responsible for the contents thereof or for the statements or opinions of writers.

# YOU NEED This New Book

"Proven Plans to Speed Collections  
and  
Timely Tips to Trim Office  
Overhead"

Copyright, 1933

THIS book is from the pen of a man who has spent over twenty years in the study and practice of the art of collecting money and retaining the good will and patronage of those from whom he collected.

In this book will be found:

- 288 successful collection ideas, plans and letters.
- 470 collection paragraphs in a unique letter book arranged according to appeals to different emotions, classified and numbered for convenient use, including—
- 204 effective ways to close your collection letter for action.
- 147 attention-getting opening paragraphs for collection letters.
- 119 miscellaneous collection paragraphs classified according to appeals to pride, fear, sense of fairness, etc.
- 51 tracing tricks and schemes to locate the debtor who moves.
- 42 time and labor saving office short cuts and postage saving ideas.
- 25 specific ways to cut bad check losses and points to watch in cashing checks.
- 10 ways to use the telephone to improve collections.
- 4 ways to locate debtor's place of employment.
- The most successful plan of a Texas collection expert in collecting from farmers.
- How to get your money on defective remittances and bad checks.
- How a Dallas collection expert collected a six-year-old judgment in Texas where wages cannot be garnished, from a debtor with no property, who carried his bank account in another city under his wife's name.
- A plan used by one merchant to educate his customers to pay by the 10th.
- A letter that asked only for a date but brought back checks in all but one case.
- A scheme that collected 50 per cent of a big list of small publisher's accounts and made the debtor smile as he paid.
- A clever stunt in following up broken promises that brought in 80 per cent returns within five days.
- A plan that speeded up collections 75 per cent on accounts under \$10.00.
- A plan that enabled a dentist to collect 98 per cent of his accounts over a period of ten years.
- A simple plan that enabled a wholesale credit man to reduce his bad debt losses to less than 1/15 of 1 per cent over a period of seven years.

This is really more than a book. It is a working kit for the credit man, the merchant, the professional man or anyone who has anything to do with collections.

You also get a letter and paragraph book with definite and specific instructions on how to use it as well as a generous supply of blank pages to enable you to add your collection letters and paragraphs and tie this right in with your own business.

Handsomely bound in serviceable black, imitation leather (loose leaf), size 9 x 11 inches, it is a most unique portfolio—a veritable treasure book of PROVEN PLANS TO SPEED COLLECTIONS AND TIMELY TIPS TO TRIM OFFICE OVERHEAD.

The price originally set for this was \$15.00 but to make it available to a larger number, it may now be purchased for the unbelievably low price of

**\$5.00**

**ARTHUR P. LOVETT**

4455 PENN STREET KANSAS CITY, MO.

# EDITORIAL COMMENT

## Retail Credit Is a Sales-Stabilizer and a Builder of Permanent Volume

**T**HAT retail credit is a sales-stabilizer as well as a sales-builder is fast being realized by retailers, and the credit executive who does not realize it is overlooking an opportunity to build a greater *and a more permanent* sales volume for his store.

More than that, he is passing up a big opportunity for self-betterment—the chance to improve his own position and build a greater future for himself and his department.

For the development of new charge account business, of all credit sales in fact, is primarily a credit department function. Only the credit department, acting sanely upon its own information—and the information available through its credit bureau—can avoid the pitfalls and after-effects of haphazard solicitation of charge accounts.

“Haphazard” is used intentionally here because, too often in the past, that has been just the manner used in credit solicitation!

Too often, in its eagerness for greater volume, management has overridden the judgment of the credit department and “let down the bars” to the detriment of the entire credit structure.

“An account properly opened is half collected,” is a familiar saying among credit men. And the wise credit man will save needless expense and trouble and worry by not soliciting accounts that can’t be “properly opened.”

There are plenty of good accounts to choose from—and the credit department has the necessary sources of information available for the proper choosing.

Every account properly opened means just that much more buying power—that much more month-in-and-month-out sales volume permanently added to present volume. For credit customers *are more permanent* than cash customers.

The cash customer is a “will-o’-the-wisp,” flitting from bargain to bargain—your customer today, some other store’s tomorrow—but the credit customer is yours as long as satisfactory relations continue. The confidence developed through acquaintance with the store personnel and policies, the assurance of satisfaction with every purchase, tend to outweigh the lure of “penny-savings” elsewhere.

For this reason, credit business is profitable business. It eliminates, in large degree, the “buga-boo” of price competition. It puts merchandising on a higher plane. Contrary to fallacious arguments it does not increase the cost to the consumer or to the retailer.

Credit losses in credit-regulated communities seldom run over one-half of 1 per cent of credit sales volume. Contrast this with the tremendous expense of “double-truck” ads for “one-time” cash sales incurred by cash stores!

The credit man has too long allowed himself to be looked upon solely as a “watchdog.” If he merits that appellation it is his own fault because in every section of this country there are aggressive, forward-looking credit executives who are building greater credit-sales volume.

Many of them, in recognition of their work in this field, today boast new titles—“Credit Sales Managers”—bestowed on them by managements ready to reward results.

“There is a tide in the affairs of men which, taken at its flood, leads on to fortune.” Now is the time!

Business is on the upturn. Slowly but surely all the indicators are pointing, at last, in the right direction. As people are again absorbed in the offices and factories and their buying power restored, they will naturally be in the market again.

You can take your pick of these revived customers—without “letting down the bars.” You can assume a dual rôle of “balance wheel”—combining sales-aggressiveness with credit-caution.

It’s your opportunity—and *your responsibility!*

» » »

## Advance Reports of Retail Credit Survey Encouraging

**A**DVANCE reports from Washington indicate that the National Retail Credit Survey for the last half of 1933 will show an encouraging upward trend in both credit sales and collections.

This survey, conducted by the United States Department of Commerce, in cooperation with the National Retail Credit Association, is expected to be released early in June.

“Open credit” (regular charge accounts) sales and installment (deferred payment) sales both show increases over the corresponding period of



1932 while cash sales show a decrease of 1.6 per cent for the same period.

Collections are also reported as better and this is attributed by the survey to the more aggressive policies of credit granters as much as to the better financial position of purchasers.

Every credit executive should obtain a copy of this survey (the cost is only five cents a copy) from the Superintendent of Documents, Washington, D. C.

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### What of the Years Ahead?

**S**PEAKING of 1926 price levels," "Bugs" Baer, the columnist wrote the other day, "reminds us that we are still getting bills for them. What we really need now are 1937 price levels if anybody will trust us that far ahead."

True words, although spoken in jest, for there are merchants today who are carrying accounts on their books not only for 1926 but also for all the ensuing years and no doubt still sending statements.

What will the attitude of merchants be toward Mr. Baer's second statement—"1937 price levels if anybody will trust us that far ahead"?

Conditions of the past few years have brought strongly to the attention of merchants that past methods of conducting their credit departments need revision. Those years preceding 1934 are history—a sad epoch in business—but what of the years ahead?

Are the experiences of past performances to be heeded or taken as just things that happen?

It must be admitted that the majority of businessmen are good businessmen, conducting their affairs and business in the proper way—careful in buying, grasping every opportunity to promote sales, protecting stocks against loss by fire, water, burglary, and even attempting credit protection through membership in and use of credit bureau service.

But—there are also those who, although carrying all the protection they thought necessary, have failed in credit protection by not holding membership in and cooperating with the credit bureau.

Statistics show that in business failures 95 per cent have not used bureau connections. These have aggravated their own condition. But what of those who had affiliation with a credit bureau? Did they use the service afforded to the fullest? Did they call the bureau on every new account? Did they recheck old and revived accounts and—*were they guided by the facts presented in reports for their protection?*

That is a question every merchant must answer for himself, but information filtering into the vari-

ous bureaus of the N. R. C. A. leads one to believe that much credit was extended without the proper consideration given. Of course no one knew the element of chance would play such an important part—that times would change and unemployment overwhelm us with losses of various kinds. That is past history and an experience.

But what of the future? Will merchants fail to heed the warning of the need for cooperation in making the credit bureau the clearing house for credit information—for listing therein all their ledger experiences and extracting therefrom the information of all when needed and then being guided by it?

Such cooperation will make for a community credit policy in preventing overbuying and educating the public on prompt payment of obligations. For on the merchant falls the important duty of stating his terms of sale, either regular or special, and definitely impressing upon the credit seeker *the terms of payment* and then adhering to them.

Each credit bureau manager has a duty to perform for his community. He is, or should be, recognized as a leader in credit matters beneficial to credit seeker and retailer. It must be his aim to sponsor the adoption of a credit policy and continually urge the assistance of merchants, and his efforts must be rewarded in a larger membership willing to do its part in making credit conditions what they should be.

This is the answer to the lessons of the past and, if adhered to, the future should have no fears for the conduct of a safe credit business.

» » »

### Crowded Out

**T**HIS issue carries so much Convention material, it has been necessary to omit many of the regular features, such as "The Credit Clinic," "Bright Bits from Bureau Bulletins," "News of the Credit Women's Clubs" and the new "Collection Percentages" page.

Likewise, it has been necessary to "boil down" or postpone publication of much material submitted by members for this issue for which we ask their indulgence until such time as we can work in this overflow material.

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### Important Announcement

**A**S A MATTER of convenience, as well as of courtesy to the Memphis Convention Committee, all members planning to attend the National Convention are requested to send their registration fee of \$10.00 in advance, so their badges and other papers will be ready for them on arrival, eliminating delay and congestion at the registration booths.



# Some "Red Hot" Collection Tips

By DAVID MORANTZ

President, "K. C. K." Unit, Retail Credit Association,  
Kansas City, Kansas

**I** LISTENED in one day at a retail hardware dealers' convention during a short period devoted to a discussion of the problem of collections. "My most effective collection plan," said one dealer, "is to offer a small premium for all bills paid by the tenth of the month following purchase provided these bills are paid *at the store*. One month I give a milk bottle opener, another month a pan scraper or tack puller or any one of a number of useful little articles that cost only a few cents each.

"It really is surprising how not only housewives but business men will come into the store promptly to pay their bills to get this little premium. I take special pride in my display racks of merchandise and when I get these people into the store, it is very seldom that they do not buy something they see on display before they leave. I can trace the sale of many expensive articles just to this plan of bringing them into my store to pay their bills," he concluded.

\* \* \*

Another dealer reiterated the importance of bringing customers into the store to pay but he uses a slightly different method. He sends out a neat little printed card that fits into a window envelope on which is printed the following:

"Dear Friend: Our books show that the amount you owe us at this time is \$\_\_\_\_. We are not sending you an itemized statement, although we shall be glad to furnish one at your request. If you will call at our store to pay this account upon receipt of this little note and save us the necessity of writing you again, we will allow you to deduct twenty-five cents from your bill, which is the amount it costs us for every follow-up collection letter we send out. But you must call at our store and pay this *within ten days* to get the cash discount."

All that need be written in is the amount and the customer's name and address, which, when used in the window envelope, eliminates the necessity of addressing an envelope. The date is stamped in a place provided in the upper right-hand corner.

"This little plan," said this wide-awake merchant, "reduces our expense of sending out itemized statements, brings our customer into the store with money in his hand and a kindly feeling in his heart because—who doesn't like to get a cash discount? And, of course, very few go out without making some additional purchase that our attractive displays might suggest."

The collection problem of the retail merchant, especially the smaller merchant, is much different from that of the credit man with a large staff of assistants, stenographers, etc. The merchant whose volume of business does not justify the employment of a trained credit or collection manager must, of necessity, handle most of the details of collections himself.

There are many ways he may do this. For instance, let us first discuss the use of the telephone in making collections. The telephone has a definite place in the handling of collections and, if properly used, can reduce collection costs and increase returns to a marked degree.

It has been said that the best time to phone housewives about collections is between the hours of nine and eleven in the forenoon. The children at that time are off to school and she is home doing her housework and preparing lunch.

If the weather is fair she will usually go out in the afternoon, shopping, visiting, etc. Hence, it is wise to call in the morning. However, on stormy days, the afternoon hours from two to four are considered favorable hours also for calling the housewife.

One merchant sets aside an hour every morning to telephone customers who have ignored two statements. He has found, he said, that most people are not annoyed if tactfully reminded that they have overlooked two statements.

When he gets the debtor on the phone, he says in a pleasant tone of voice, "This is the Jones Shoe Company. Having no reply to our two statements, I was just wondering if you have been ill or out of the city?"

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## Editor's Note:

Due to lack of space, it was necessary to run this article in two installments. The concluding installment will appear soon—probably in the July issue.

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Then he pauses—and *that pause is very important* as it gives the customer a chance to talk. After she has had her say and presented her reasons for non-payment, she usually concludes with a definite promise of payment.

Many times the debtor has a good reason for not paying, but pride prevented her calling. However, when

phoned and approached in a pleasant manner and yet in a way that leaves no room for doubt as to the object of that call—she opens up and tells her story.

This merchant says he has made better customers out of many of his debtors by a kindly, considerate discussion of their account and financial problems over the phone—a result that probably could not be accomplished, *at much greater cost*, by sending a collector.

The best time to reach the business man or salesman is usually in the morning between eight and ten, before he leaves his office to make his daily calls after reporting in the morning and reading his mail.

Many people object to having a collector call on them and another merchant utilizes that argument in phoning his customers who have ignored two or three statements.

"If it is inconvenient for you to call at our store or mail a check," he says to the delinquent debtor, "we shall be glad to send our collector if you will tell me just when you would like to have him call."

Some housewives with small children really find it difficult to come downtown and having no checking account, they tell the caller *just when* the collector may come for the money, thus saving him an extra trip. However, it will be found that by far the greater number will say that they prefer to mail their payments or come in with the money instead of having a collector call at the house.

\* \* \* \*

If you plan on making a number of telephone calls in succession, you will get much better telephone service if you will call "Chief Operator" and tell her your plans.

She will then assign an operator to handle your series of calls and thus enable you to get much quicker connections and reach a much larger number of persons in the same period of time.

A debtor may ignore collection letters and may avoid a collector but very few will fail to answer the telephone when called.

The telephone enables you to make personal contact with your customers and debtors. If there was something wrong with the merchandise or service, it gives the customer a chance to tell *you* rather than bear a permanent grudge against you and your institution and spread such unfavorable information among her friends.

If she promises payment, tell her you are making a memo of it and if you have to phone again you may mention that memo.

Never lose your temper in talking over the telephone nor permit yourself to be drawn into an argument. Be courteous at all times but insist upon action—definite action.

\* \* \* \*

A retail shoe dealer found himself with this problem on his hands: An unusually large number of his good customers were taking sixty and ninety days to pay their accounts which were due in thirty days.

This dealer had bought a large supply of "lucky penny" pocket pieces to give out on a Chamber of Commerce

good-will trade trip. The idea occurred to him to connect up this clever little souvenir with a collection letter to use on the above-mentioned good—but slow—accounts.

Accordingly, he wrote them the following letter:

"We have not yet received your check covering the enclosed account. Overlooked, no doubt.

"As the usual sales terms call for payment in thirty days, won't you please cooperate with us by sending your check at this time?

"Thank you!

"Cordially yours,

P. S. "We thought you would like to have one of the enclosed little good luck pocket pieces. Please accept it with our compliments."

The above letter went out with a statement enclosed but the girl who sealed the letters overlooked enclosing the pocket pieces.

This dealer reports that practically every one of these letters brought the customer into the store with payment and a request for the good luck pocket piece or a letter with remittance calling attention to the missing enclosure and asking that it be sent with the receipt.

Of course, it was given or sent to everyone requesting it and everybody was happy—including the dealer, who said he had never seen such a spontaneous response to a collection appeal.

(To be continued.)

» » »

## Selig Elected President of Baton Rouge Association for Sixth Time

The board of managers of the Retail Merchants Credit Association, Baton Rouge, La., named Louis Selig its president for the sixth time at a recent meeting, marking the eleventh anniversary of the organization's founding in Baton Rouge.

Other officers elected were: W. L. Manship, vice-president; Fred Bahlinger, treasurer; and Wm. Decker, secretary. Mr. Decker has been with the organization since 1927.

Miss M. O. Brooks was named chairman of a committee to make arrangements for a social get-together meeting of the membership.

Mr. Decker, in his annual report of activities of the organization, pointed out that the credit body had assisted in helping launch NRA groups, helped in Chamber of Commerce enterprises and various projects of local merchants, and had helped with code matters.

» » »

"On-to-Memphis"—National Convention—June 19-22.



Louis Selig





# The "In-Betweens" In Credit Granting

By DILL A. HILDEN

Credit Manager, Ewald Bros. Sanitary Dairy, Minneapolis, Minn.

**R**IGHT and wrong were white and black in our grandmothers' time. There were no in-between grays. I thought there were no grays in credit granting, either, until I began to lend a hand. Accounts were either good or bad, I thought, white or black. Either you extended credit or you didn't.

Now I know that there is a small width of black on one end of the strip—for a truly small percentage of accounts are really bad—and a good-sized breadth of pure white on the other end—and may good fortune bless its constituents.

But the grays—ah, the grays, ranging from pale mauve to almost black, blending, changing, shifting—the grays are what make credit work. No trouble at all to dispose of the whites and blacks. The whites we go over with a glow of satisfaction and forget about because they cause us no worry. The blacks we charge off to "profit and loss" and give to our collectors. But the grays make us work.

How to prevent these pale gray accounts from growing darker—how to restore the dark ones to good standing again; these are problems which fascinate, irritate, overwhelm and bewilder us; problems we laugh about sometimes, and rant and rave about, but usually merely work at.

In my work I have thirty-two assistant credit granters. That sounds as if we were a big company. We're not. But thirty-two milkmen check out of our plant daily and peddle milk to some seven thousand customers, about 50 per cent of which use credit from time to time or steadily. These salesmen are all seasoned credit men, though they don't recognize themselves as such. I work under them, not they under me. I question them about their accounts; but they *tell* me about them.

Our accounts are divided into two classes, drivers' accounts and office accounts. Many customers prefer charging through the office, receiving their monthly statement for coupon books charged and payments made. The greater proportion of our office accounts are white ones. There are a few pale grays that need to be called up after the 10th and reminded that we were not privileged to have their check, et cetera. And there are a few chronic darker ones who are habitually sixty or ninety days behind with their accounts. But they are good customers, or steady ones, or both, and we bear with them. My treatment of these accounts is largely routine work. The

personal element is lacking; the customers are to a large extent merely names.

The accounts carried in the drivers' books are the drivers' own responsibility, and are made up of accounts which are paid weekly or twice a month, or whenever the customer has an extra five dollars or dollar or fifty cents. Each man is expected to keep the total of these accounts within \$200.00. Now \$200.00 doesn't go very far among two hundred-odd customers. And that is where credit work begins. When the men come into the office to go over their accounts we realize what a vitally important part the human element plays—to how much greater an extent it is an integral part of our business than in a larger concern, where the relations between customer and store are much less personal.

Because we are selling one of the necessities of life, and a perishable product about which housewives are "fussy," we deal directly with our patrons day by day. Of course we have customers who never forget to set out their bottles and money or coupons, and whom the driver doesn't even see from one end of the week to the next.

But as a rule our men see the majority of their customers daily, discuss the weather with them, make friends with their children and dogs, drink a cup of coffee occasionally in their kitchens, listen to their problems, know—in fact—more about their personal affairs than the next-door neighbor does. All of which makes the problem of money and credit very delicate. I remonstrate that an account is too large. They agree. But: "Gee, she's a peach of a lady—they buried his father last week—she's the kind, you know, that flies off the handle—he's been out of work for six months—their boy has been in the hospital—but they're trying awfully hard—she promised me next Sunday—." And through their excuses the ideal of friendship and consideration for the other guy shows, a gleam of something simple and fine that you like to see, even if it plays havoc with your accounts.

To preserve the friendly relations between salesman and customer, absolutely essential to the continued success of our business, we sometimes resort to small ruses: Letters and telephone calls come from the office—presumably without the driver's knowledge. The patron's ire is deflected from her milkman to the company he works for. She may get angry at the credit manager, but her attitude toward the man who serves her is un-



changed—and she pays. Invariably the customers are more conscientious about paying an account for which the driver is responsible than one which the firm carries.

"I stir them up; you make peace with them," I tell the men, and the formula works quite well.

How simple work would be if there were formulas for each account—hard and fast rules to be followed. There aren't. Each gray account presents a different problem, resultant from individual temperament, personal matters, and financial difficulties which even the most sympathetic inquiry will not disclose. The poor we have with us always, of course, but in many cases poverty or very humble means have engendered a deeper respect for obligations than has riches.

You can't judge a person's willingness or ability to pay his bills by the house he lives in or the clothes he wears or the car he drives. In short, you can't judge. You can only watch and trust and hope and cuss and guard against the disillusionment which the true life stories that come to the credit desk bring with them. Stories of sick children, separated parents, husbands out of work; fictitious stories by professional deadbeats, pathetic stories told by earnest young workers.

There must be efficiency in credit work, of course, but when the product your company is furnishing to the public is milk, very lifeblood in the veins of babies; an absolute necessity to school-age boys and girls, you are apt to forget efficiency once in a while, and give humanity its innings, even if it costs money.

The past few difficult years have given us few new problems; they have merely multiplied our old ones. Conditions in the milk industry will perhaps never again be as trying as those which caused Mr. Ewald to say one day: "Things are getting so bad people won't even buy what they don't intend to pay for."

Since then we have worked under the AAA, with the Blue Eagle flying from each yellow milk wagon rolling over the pavements in the chill dawn. We have talked codes, worked on government reports, and shortened office hours. With the gradual absorption of our unemployed into industry our credit problems will again be minimized, but they will still be with us. For the eccentricities of human nature, responsible for a great number of our gray accounts, will remain the same. Human nature doesn't change in a year as the result of a new administration. (I defy anyone to say it *never* changes.)

A percentage of the human race have lived beyond their means since the time our cave-man ancestor promised his wife a new leopard skin before the next full moon, knowing in his heart he wouldn't have it ready. A small portion will always figure the world owes them a bit more than they are getting. Women will continue to find it hard to resist a new hat, and men will think they ought to belong to more clubs than they can afford.

And some people are born to hard luck, and some cultivate it by various small indulgences, and some have it thrust upon them. So doubtless we will continue, we

worrying credit granters, to fuss about this and that bill, and lose a bit of sleep occasionally over some account, and wax jubilant over a gray account gone white.

However, the sun of a new consciousness of responsibility is already high on the horizon. We have grown in wisdom and understanding; despite the corruption in both high and low places we have grown in idealism, too.

Fifty years ago we were not ready for President Roosevelt's ideas or ideals. Today we are. A man once asked, "Am I my brother's keeper?" Now we don't ask; we *know*. In time we credit granters will see the influence of this increasing sense of obligation for the other fellow. In the last analysis there alone is the solution of our problems. It's heartening to think of.

» » »

## Kansas City's "On-to-Memphis" Club has 30 Delegates Signed Up!

The "On-to-Memphis" Club of the Retail Credit Association of Kansas City already has thirty delegates signed up and ready to go! Present indications are that this number will be increased to thirty-five by Convention time.

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## A New NRA Handbook

*A Handbook of NRA* (Second Edition) edited by Lewis Mayers, Federal Codes, Inc., New York, pp. xxiv-844. Bound in cloth. Price, \$6.50. With semimonthly supplements to December 31, 1934, \$10.00.

An analysis and compilation of the National Industrial Recovery Act and related statutes, federal and state, and of all executive orders, regulations, agreements, administrative rulings and judicial decisions relative thereto; together with a comparative presentation of typical provisions of the several codes of fair competition, the texts of the principal codes and summaries of all minor codes.

Lewis Mayers, Ph.D., LL.B., of the New York Bar, is also a member of the bar of the District of Columbia and is Associate Professor of Business Law at the College of the City of New York. He is the author of *The Federal Service* (published by the Brookings Institution), *The Law of Business Contracts* and other legal works.

On September 12, 1933, when the NRA was not yet three months old, there appeared *A Handbook of NRA: Laws, Regulations, Codes*.

The increasingly rapid growth of basic NRA material has now necessitated a completely new work. The codes of 25 major industries are given *in full*, and the remainder in summary form. The book proper is, however, made up primarily of the vast body of basic executive orders, regulations, administrative rulings and judicial decisions which form, in effect, a part of each of the hundreds of codes.

An Introduction of 50 pages integrates the whole. In a section of 125 pages entitled "Code Provisions Analyzed and Compared" are brought together, for the first time, under appropriate heads, illustrative provisions from all the codes, enabling the reader to gain a bird's-eye view of the codes hitherto virtually unobtainable. Finally, the various state statutes, now twelve in number, designed to supplement the NIRA, are given in full.

A semimonthly supplement service keeps the volume up to date, and additional codes and proposed codes are furnished at a nominal charge. Thus is solved the increasingly difficult problem of keeping up with NRA.

# Portland "On the Air" - - With "Pay Promptly" Broadcasts

**T**HE Retail Credit Association of Portland, Oregon, with the interest of "pay your bills promptly" and a "sales boosting campaign" in mind, sought to convey this stimulus in connection with the important credit tenets to the vast radio audience of the West. Not only is the slogan, "Buy what you need now, guard your credit as a sacred trust, and pay your bills promptly," impressed upon radio listeners each week but the "buying urge" is fostered in a most acceptable manner.

By the systematic exploitation of various retail groups, every member of the Retail Credit Association profits directly and indirectly from the broadcasts. This method of advertising is accepted as being the most logical, the most adroit, of any type tried thus far. It brings that ideal, friendly cooperation, between the customer, the association member and the credit man.

The word "credit," perhaps as much as any other word in the dictionary, has been the victim of misunderstanding and a great deal of abuse. The "Credit Man" is indeed unfortunate in having this misinterpreted word describe his duties. Many people, because they misunderstand the word "credit," immediately take a dislike to credit men in general and avoid them as they would an obnoxious case of the measles.

Now it isn't an easy matter to do business with a buyer who has an antipathy for you—a buyer who has the idea you are making things as tough as possible, and will kick him when he's down. Mutual cooperation and understanding can scarcely thrive under such conditions. Credit men realize this is a more or less general opinion, but heretofore have accepted it as a necessary evil.

Not content to let these conditions "ride along," the Retail Credit Association of Portland, Oregon, together with the Bloch Advertising Agency, conceived the idea of educating the public to the credit man's true attitude toward them, as well as the value and convenience of credit properly used.

With a committee headed by Mr. Barney Abrams, member of the jewelry firm of M. Jacoby, as chairman—in cooperation with Mr. John N. Keeler of the Credit Reporting Company and Mr. Bernard B. Cantor of the Retail Credit Association Adjustment Department—definite plans were launched for the building of the credit educational campaign.

This was not the easiest of tasks. In the first place, a suitable medium for reaching the people had to be selected. Radio was believed to be the most adaptable. After a comprehensive survey as to station facilities, coverage and general adaptability, it was decided to use "Station KOIN—The Journal" at Portland, Oregon. Next, the type of program had to be chosen. While the program had to be primarily educational, it was essential that no "preaching" or "lecturing" enter in to defeat the purpose.

Mr. Abrams, in a recent interview said:

"As funds to promote these radio programs were, of course, furnished by the business firms which we represent it was essential that the broadcasts be productive to the point of making all accounts easier to handle, and building a greater volume of credit business as well.

"We feel gratified with the results this plan is bringing, as do the other business firms in the Association. Credit business has increased, and a better understanding between buyers and credit men seems to be established. People are beginning to realize that the credit man is a friend instead of an enemy. They are finding that he is



Barney Abrams



Posters supplied by the National Retail Credit Association are also being used.

happy in making it possible for them to have and enjoy merchandise while they are paying for it.

"Perhaps one of the greatest accomplishments is having educated people realize that they should 'guard their credit as a sacred trust.' Previously few people realized how important their credit was, not only to their own self-respect, but to their business status as well."

After much study and deliberation with "KOIN—The Journal" representatives, human interest plays were chosen to portray the importance and convenience of credit properly used, together with the relation of credit men to people's lives.

A typical play was written by "KOIN—The Journal," and an audition arranged. Instead of the usual "studio audition," the play was produced in the studios and "piped" to the Retail Credit Association's dinner meeting especially called for the purpose. There it was voted upon by members who greeted it with approval.

The plays themselves are adroitly handled by the KOIN Dramatic Players, and while they are entirely interesting from an entertainment standpoint, at the same time they convey the points necessary to bring about a more complete understanding between buyers and credit men.

For instance, one play entitled "Partnership Wives," opens its action in the office of two young architects, "Don" and "Jack." They are putting the finishing touches on a large project they hope to see completed.

Both Don and Jack are capable young men with ideas and ability, but they lack the necessary cash to promote their plans. Don is especially eager to see his plans materialize as he has a beautiful young wife to whom he is very devoted, and upon whom he lavishes every luxury and extravagance. He prides himself upon the fact that he never worries "Beatrice" with financial problems. He has generously urged her to open charge accounts in all the stores she wishes, and Beatrice is quite the envied young wife, with her beautiful home, clothes and car.

As a result, Don's expenses run high, and he is not able to meet his obligations. In spite of Jack's advising Don to talk it over with Beatrice and ask for cooperation in cutting their expenses and aiding him in getting out of debt, Don resolutely refuses to bother his pretty wife with financial worries.

When plans for their big project are completed, Don takes them to a family friend, old "J. D.," with hopes of J. D.'s financial backing. This shrewd old man likes Don, and he has confidence in his plans, but much to Don's chagrin, he refuses him the necessary money.

Don insists upon knowing the reason why, and J. D. tells him that he has looked up Don's credit rating and finds it has not been handled in a businesslike manner, and that he cannot hope to be trusted with large matters until he can keep his own in better condition.

Don and J. D. have a heart-to-heart talk, and J. D. advises Don to make a partner of his wife and to work out their financial problems together. That night Don confides in Beatrice. She is hurt to think her husband

hadn't confided in her before. She tells him she has never enjoyed being just an "ornament," and she is happy with the thought of working out their difficulties together.

The KOIN announcer closes each program with a standard credit slogan: "*Buy what you need now. Charge it, and pay your bills promptly. Guard your credit as a sacred trust.*"

Other programs deal with newly married couples buying and furnishing homes; the man who brags about paying "a dollar down and a dollar when they catch me"; the man who refuses to use his credit; and the credit man's stories of abuse and complete misunderstanding.

Radio Station "KOIN—The Journal," an affiliate of the Columbia Broadcasting System, produces and broadcasts the programs. The staff of splendid artists, production men and technicians adds lifelike atmosphere that places these plays in the sphere of really fine entertainment.

This series of programs started the first week in September, 1933, and is still proving to be of great value and profit. The Retail Credit Association of Portland, Oregon, feels happy in having found a way to solve one of its paramount problems.

"This has been in our opinion," Mr. Abrams states, "a splendid achievement, and most certainly warrants a continuance of the campaign. At the present time the committee has in mind an elaboration of the campaign in the nature of a billboard tie-up with these broadcasts. There is no doubt but what a number of striking billboard posters placed at strategic points around the community, together with the message coming over the air, would be an ideal set-up.

"Of course, a campaign of such dimensions may be beyond our reach, but if it can be arranged so that the cost to the membership will not be prohibitive, we will certainly endeavor to put such a program into effect. At any rate, we will continue to broadcast the plays, at least until such a time as funds run out and the membership feels that sufficient effort has been put forth in educating people to *pay promptly.*"

» » »

## May First a "Red Letter Day" for Oakland, California

The Credit Women's Breakfast Club of Oakland was organized on May 1 with fifty enthusiastic charter members in attendance. The following officers were elected for 1934:

Miss Nora E. O'Connell, The Gray Shop, Oakland, President; Mrs. Mildred Ulrich, Marshall Steel Co., Berkeley, Vice-President; Miss Emma C. Williams, Y. W. C. A., Oakland, Secretary and Mrs. Mattie Gray, Capwell Sullivan & Furth, Oakland, Treasurer.

As this was our first meeting the whole time was given to organization, election of officers, appointment of committees, etc. Our first program starts with our June meeting. We wish to express our deep appreciation to Mrs. Effie Marshall, President of the San Francisco C. W. B. C. for her great assistance in organizing our club.

—G. Trebilcot.





# Mail Order Credits

By G. W. KERSHNER

Credit Manager, Brown Fence and Wire Co.,  
Cleveland, Ohio

**I**N DISCUSSING mail order credits, I believe that I should first explain that many different plans have been devised for selling mail order merchandise on a credit basis. For instance, some companies make a practice of shipping upon receipt of order without a down payment and allowing inspection of the merchandise before payment is required. Other companies have gone a bit farther and ship on 30- and 60-day terms.

The larger mail order companies, however, have adopted the "Easy Payment" or "Budget" plan of selling. Under this plan, a customer who presents a satisfactory record is permitted to purchase under a title-retaining contract by paying a small amount down and the balance in monthly installments. There is, of course, an extra charge made for such credit accommodations.

Under the mail order plan of selling, no salesmen or outside representatives are employed. The companies depend upon their catalogs and advertising literature to sell their merchandise to prospective customers. The customers, of course, are protected against false advertising by United States laws which govern all mail order companies doing an interstate business.

The companies also are protected to a certain degree by the postal laws, but where credit is extended they have little protection from that source. For example, if an order is received accompanied by a check representing the down payment, which check proves to be worthless, there is a violation of the postal statute against use of the mails to defraud. On the other hand, if the check representing the down payment is good, and even though the customer deliberately refuses to make further payment, there is no violation.

The mail order credit man must have a good knowledge of commercial law particularly of those states covered by his company's literature. State laws vary considerably and sometimes present a real credit hazard in themselves although they are not so intended.

I wish here to refute some erroneous theories to the effect that mail order companies are taking the business away from retail merchants. This is a theory which is absolutely unfounded. It is seldom indeed that a mail order company will receive an order from a customer who has patronized retail merchants in the past. The exception is where a local merchant cannot supply what the customer wants, at the price he wants to pay. The customer who patronizes the mail order house, does so

inveterately. The mail order buyer remains a mail order buyer. It is largely not a matter of choice.

While the mail order house will attract a large number of first-class risks, it also attracts the risk whose credit is ruined in his home locality and who turns to the mail order house as a source of securing easy credit. We have also found individuals and even groups in various sections of the country who deem it "smart" to beat the mail order houses.

Mail order buyers are largely ruralists. Many times they are not able to secure local credit accommodations and are forced to apply to the mail order houses for assistance. This has been particularly true during the past several years of the depression during which period local merchants found it necessary to restrict credit in order to protect their financial positions.

On this class of risk it is sometimes difficult to secure credit information as the average mail order buyer has made it a practice to buy from mail order houses for years and, as the various mail order companies do not have a definite means of credit interchange, it is quite impossible to secure a record of past experience.

In order to properly extend credit, the mail order credit man must secure information from outside sources.

In the past some companies depended upon replies to direct inquiry letters, addressed to references given by the credit applicant and also to his local banker. This practice has been largely discontinued because of the low percentage of replies to such direct inquiry letters and also because of the fact that information thus obtained was very unreliable for obvious reasons. I believe that I can safely say that the direct inquiry method of credit investigation is the most expensive of all methods.

Trade reports of course cannot be obtained on a large percentage of mail order buyers because of the absence of a local credit rating. Even if trade reports were available, however, they would not prove of great value to the mail order credit man unless as an indication of character. It is to be assumed that if a credit applicant will not pay his local obligations, he will not pay his mail order obligations, although this is not always the rule. However, there is also the credit risk who will pay his local obligations but who will not satisfy his mail order indebtedness.

*(Continued on page 27.)*



# EDUCATE Your Customers!

By C. RAY COOK

Credit Manager, Edwards Motor Company, Milwaukee, Wis., Director,  
Associated Retail Credit Men of Milwaukee



**G**IVE your charge customers a course in credit responsibility. Train them to fulfill your credit terms in the manner in which you expect them to be fulfilled. Or, paraphrasing the old saying—"As the twig is bent, so shall the tree grow": As you train your charge customers, so shall they pay!

How many times have you looked at a credit report that shows a majority of accounts slow, but one or two ratings that read, "Paid as agreed." How do you analyze this difference? Why do they pay certain accounts as agreed while others are allowed to become delinquent? It has always been my analysis that certain credit managers have succeeded in training those accounts to respect the terms of their open accounts, or the written agreements of their contract sales.

Then if it has been possible for some of our fellow-credit men to obtain adherence to terms, why is it not possible for all of us to do the same? Do we lack the backbone or do we lack a coordination between the sale, the opening of the account and the day-by-day follow-up of collection procedure; or, if you please, "account-education"?

And let us call it "account-education" instead of collection procedure, for after all the purpose of the credit department is not only to collect each particular current account but also to educate the account to respect your terms and pay as agreed.

It has always been a saying among credit men that buyers will pay for their automobiles if they must let everything else go. We of the automobile industry believe that in many cases this is figuratively true. And if it is true, it is only because we have set out to make it true. First, by making the conditions of the sale and the financing of the sale on such a basis that the buyer at all times under the contract owes less than the actual value of the merchandise bought. Second, by establishing in the mind of the buyer, a definite understanding of the terms of the contract both as to the amount of monthly installments and the due date. And third, by an immediate follow-up of any account that is not paid on the date due.

We expect even with these efforts toward education that a certain number of accounts will become delinquent. Then the duty of further schooling begins. We consider it then our duty not only to get the past due payment

but to get an arrangement that will work out of the present difficulties and avoid future delinquencies. The credit man handling the collection of automobile paper who cannot accomplish this in a majority of cases will soon be replaced by one who can.

You can readily see that these policies have accomplished the desired results when you consider that today practically all of the major companies engaged in handling automobile contract paper will show less than  $\frac{1}{2}$  of 1 per cent of their accounts more than thirty days past due. Even during the depth of the depression, few, if any, showed a 30-day past due percentage of over 1 per cent of the total number of their accounts.

Yes, I heard the question, "What about repossessions?" In Milwaukee territory, automobile repossessions compared very favorably with those of any other industry engaged in installment sales. And furthermore, the losses that it was necessary to take have been taken. We are ready to take care of today's business. We are not concerning ourselves about past-due installments on merchandise that is worth only a fraction of the amount still due.

This matter of educating the customer to pay as agreed is even more important with your monthly charge customer and should be handled with as definite a plan of procedure as with contract sales. When we consider that the collection percentage of almost every metropolitan center has dropped at least 10 per cent in the last few years, we must admit that it is important and absolutely necessary for us not only to press collections but to definitely train and educate our customers to pay promptly.

We have all had our share of those accounts who because of restricted income could not pay. We also have another and a much larger group of delinquent accounts. They are those accounts who a few years ago were paying promptly but who today are paying 30, 60 and 90 days past due.

If we are to succeed in bringing our collection percentages up, we have a very definite task before us of educating this particular group to again abide by the store terms. Forget that you have a past-due account to collect and consider that you have a good buying customer whom you must tactfully educate to become a

(Continued on page 23.)

# Pacific Northwest Conference

**T**HE 14th Annual Retail Credit Conference of the Pacific Northwest was held in the Winthrop Hotel, Tacoma, Washington, on May 14 and 15, 1934. All previous attendance records were broken, more than five hundred being present. J. Sherrill Taylor, Conference President, officially opened the meeting. An address of welcome by John Prins, President of the Tacoma Chamber of Commerce, was responded to by J. W. Moss of Spokane, Washington.

Delegates of Retail Credit Associations in Oregon, Montana, Washington, British Columbia and Idaho were present. Among the national dignitaries present were E. K. Barnes of Spokane, Washington, N. R. C. A. Vice-president; Frank Caldwell of San Francisco, California, National Field Agent; and John N. Keeler, Portland, Oregon, National Association Director. Mr. Caldwell gave the principal address on Monday morning and pleaded for the regulation of credit extension. His address was well received.

Thereafter a general quiz was held, Mr. Orrin Shearer of Seattle, Washington, acting as quiz-master, with Mr. W. J. Huntley, also of Seattle, as his assistant.

During the noon hour, luncheon was served. This proved an especially pleasant affair. Popular speakers from the different delegations were called upon and their talks were greeted with hearty applause. When the meeting proper reconvened in the afternoon, it was addressed by Judson Benton of Tacoma, Washington, who spoke on credit legislation.

Adjournment followed for group conferences consisting of the following:

- Department Stores—Chairman, Mr. Harley Boyle, Spokane, Washington
- Specialty Shops and Miscellaneous Thirty-Day Credits—Chairman, Mr. Grant C. Braman, Portland, Oregon
- Installment Houses—Chairman, Mr. G. A. Robinson, Vancouver, B. C.
- Finance Companies, Real Estate, etc.—Chairman, Mr. Fred Hanson, Tacoma, Washington
- Bureau Managers—Chairman, Mr. Pete DeWitt, Seattle, Washington

Adjustment Managers—Chairman, Mr. E. Bishop, Seattle, Washington.

The ladies were entertained in the Army and Navy Room with a delightful bridge tea, during which musical numbers were heard.

An event of outstanding interest was the meeting of the Breakfast Club at seven o'clock Tuesday morning on the Roof Garden. A general invitation to attend had gone out but doubt had been expressed that there would be much of an attendance at such an early hour, especially so in view of the fact that the dance the previous night would last until the wee hours of the morning. To the surprise of all, more than two hundred attended the breakfast which was enlivened by clever club songs.

Margaret Taylor, President of the Tacoma Breakfast Club, presided and welcomed the members of the affiliated groups and the guests. Mr. Frank Caldwell addressed the assemblage on the question, "Why Not a National Association of Breakfast Clubs?" This topic was then informally discussed by many of those present.

Inspirational talks were made by the presidents of the breakfast clubs of the different cities and a report was given of a previous meeting whereat there was formed a new organization consisting of all affiliated clubs to be known as the Northwest Council of Breakfast Clubs.

When the principal meeting reconvened, there was a quiz and summary of the conference under the direction of Mr. Shearer, and Mr. Barnes, National Director, gave a report of the business and problems of the National Association. Resolutions adopted by the conference included the appointment of John N. Keeler of Portland, Oregon, as Northwest delegate to attend the National Convention to be held in Memphis, Tennessee, in June, and another, which was unanimously adopted, sponsoring the candidacy of E. K. Barnes of Spokane, Washington, as Second Vice-president of the National Association.

George Raymond of Seattle, Washington, was elected president and Thomas Downey, Vancouver, B. C., Secretary. Seattle was chosen as the conference city for 1935. The conference officially adjourned at eleven o'clock.



*Group Photograph of Northwest Conference, Tacoma, Wash., May 14, 15, 1934*

# The Merchants' Credit Association of Memphis

Handles Credit Reports With Speed, Accuracy and Economy  
by Means of Telautograph Service to Five Great Stores

The John Gerber Company  
The Landres Company

Bry Block Mercantile Co.  
J. Goldsmith and Sons Co.

B. Lowenstein & Bros., Inc.

Telautographs, supplying instantaneous transmission of handwritten information, permit clearance of references and furnish complete reports in a few minutes' time. Thus, while the customers wait and without their knowledge, the stores are able to receive the proper data to refuse or pass credit applications and at the same time are protected from deadbeats and other types of dishonest people.

Because they leave an indelible handwritten record

at both the store and bureau, telautographs prevent the possibility of misunderstanding—but, if the human element errs, responsibility is placed and "passing the buck" is prevented.

Only one person is required to transmit telautograph messages because such messages are recorded on the receiving end without human aid—thereby saving clerical expense.

## Here's What Three Memphis Subscribers Recently Said About the Use of Telautographs for Credit Reporting:

Mr. M. G. Liberman, Manager,  
The Merchants' Credit Association:

"It gives us pleasure to state that we have been using a number of Telautograph instruments for some years.

"We hardly know how we got along without them. It is not unlike wondering how the business world functioned without telephones."

Mr. J. J. Valentine, Credit Manager,  
J. Goldsmith & Sons Company:

"We are able to file the reports we receive very easily. The reports do not have to be rewritten. They have fewer errors in them.

"All in all—for economy, speed and accuracy, nothing exceeds it in giving and receiving credit

information. We cannot imagine ourselves returning to the old system."

Mr. M. B. Silverson, Credit Manager,  
The Landres Company:

"I feel that with the installation of our Telautograph, which was only made on December 10, 1933, that this great mechanical instrument is an eliminator and destroyer of 75 per cent of the evils which any credit man has to tolerate with routine work required in a credit office.

"I have found with a new system of filing our records obtained through the Telautograph service that it has taken 50 per cent of the detail work away, which has been previously required in handling a credit report."

*Can You Afford to Be Without This System? Telautograph Costs  
Are Only About \$1.00 per Day for Each Store Connected*

For a Practical Demonstration of Telautograph Service Visit Our Exhibition in Booth 14 at the Peabody Hotel, Memphis, Tenn., or Call at One of Our Above Subscribers, During the Coming N. R. C. A. National Convention Which Will Be Held at This Hotel—June 19-22.

**DEPENDABILITY**

**ECONOMY**

**SERVICE**

## TELAUTOGRAPH CORPORATION

FACTORY AND GENERAL OFFICES: 16 WEST SIXTY-FIRST STREET, NEW YORK, N. Y.

# CONVENTION PROGRAM

Twenty-First Annual Convention, National  
Retail Credit Association, Hotel Peabody,  
Memphis, Tennessee, June 19-22, 1934

## SUNDAY

JUNE 17

PRE-CONVENTION MEETING OF STATE AND GROUP  
STATE SERVICE DEPARTMENT DELEGATES WILL BE  
HELD IN THE ITALIAN ROOM, PEABODY HOTEL, AT  
2:00 P.M.

## MONDAY

JUNE 18

12:00—LUNCHEON TO BOARD OF DIRECTORS, N. R. C.  
A. (Room 200)  
(Guests of Memphis Retail Credit Association)  
2:00—MEETING OF BOARD OF DIRECTORS.  
8:30—"GET ACQUAINTED" MEETING AND ENTER-  
TAINMENT.

## TUESDAY MORNING

JUNE 19

9:00—ASSEMBLY—Convention Hall, Peabody Hotel.  
Community Singing—A. B. ("Sandy") Sinclair,  
Kansas City, Mo., Song Leader.  
9:30—CALL TO ORDER—Arthur P. Lovett, President,  
National Retail Credit Assn., Kansas City, Mo.  
INVOCATION—Thomas K. Young, D.D., Pastor,  
Idlewild Presbyterian Church, Memphis,  
Tenn.  
WELCOME TO MEMPHIS—Hon. S. Watkins  
Overton, Mayor of Memphis.  
RESPONSE—Giles C. Driver, Credit Manager,  
The May Company, Cleveland, Ohio.  
10:00—REPORTS OF OFFICERS  
APPOINTMENT OF COMMITTEES:  
By-Laws  
Resolutions  
Credentials  
Nominating  
Special  
10:15—ADDRESS—"Faith-Courage-Unison"  
Frank Batty, Credit Manager, Hale Brothers  
Stores, Inc., Director, National Retail Credit  
Assn., San Francisco, Calif.  
10:45—ADDRESS—"Consumer Credit in a Planned Econ-  
omy"  
Dr. Clyde William Phelps, Head of the Depart-  
ment of Economics, University of Chatta-  
nooga, Chattanooga, Tennessee.  
11:15—ADDRESS—"The Relation of the Industrial Re-  
covery Act to the Anti-Trust Laws."  
Russell Hardy, Special Assistant Attorney Gen-  
eral, Washington, D. C.  
11:45—ADDRESS—  
Leopold L. Meyer, Foley Brothers Dry Goods  
Company; Past President, National Retail  
Credit Assn., Houston, Texas (Chairman, Na-  
tional Credit Executives' Council).

12:15—GREETINGS FROM NATIONAL ASSOCIATION OF  
CREDIT MEN.

J. E. Ruffin, Malone and Hyde, Memphis, Ten-  
nessee; Past President, Memphis Association  
of Credit Men.

12:25—REPORT OF BY-LAWS COMMITTEE.

12:30—ANNOUNCEMENTS AND ADJOURNMENT.

PARLIAMENTARIANS—Hon. Lawrence Mc-  
Daniel, St. Louis, Mo., Hon. Harry P.  
Hovey, Kansas City, Mo.

## GROUP MEETINGS

(Scheduled for 2:00 P.M. Tuesday, 9:00 A.M.  
Wednesday and 2:00 P.M. Thursday)

Russell H. Fish, General Chairman Trade Groups, Credit  
Sales Manager, The May Company, Denver, Colo.

GROUP No. 1.—DEPARTMENT STORE AND WOMEN'S  
WEAR (*Convention Hall*)  
Chairman—Leo. M. Karpeles, Credit  
Manager, Burger-Phillips Com-  
pany, Birmingham, Ala.  
Vice Chairman—Paul C. Vaughan,  
Vice President, Loveman, Joseph &  
Loeb, Birmingham, Ala.  
Vice Chairman—Louis Selig, Credit  
Manager, Rosenfield Dry Goods  
Co., Baton Rouge, La.

GROUP No. 2.—MEN'S WEAR (*Room 212*)  
Chairman—Wm. E. Glass, Credit  
Manager, Cottrell Clothing Com-  
pany, Denver, Colorado.  
Vice Chairman—Harry O. Wrenn,  
Credit Manager, Nebraska Cloth-  
ing Co., Omaha, Neb.

GROUP No. 3.—AUTOMOBILE TIRES AND ACCESSORIES  
(*Room 213*)  
Chairman—J. Willard Smith, Brook-  
side Garage, Kansas City, Mo.

GROUP No. 4.—HARDWARE AND BUILDING MATE-  
RIAL (*Room 214*)  
Chairman—Austin Carey, President,  
De Soto Hardware Company,  
Memphis, Tenn.

GROUP No. 5.—PUBLIC UTILITIES (*Room 215*)  
Chairman—O. E. Maurin, New  
Orleans Public Service Company,  
New Orleans, La.  
Vice Chairman—H. C. Stroupe,  
Memphis Power & Light Company,  
Memphis, Tenn.

GROUP No. 6.—FURNITURE (*Parlor "A"*)  
Chairman—E. E. Paddon, Credit  
Manager, Lammert Furniture  
Company, St. Louis, Mo.



GROUP No. 7.—JEWELRY (*Parlor "B"*)  
Chairman—J. T. Orr, Credit Manager, George T. Brodnax, Inc., Memphis, Tennessee.

GROUP No. 8.—SHOES (*Louis XVI Room*)  
Chairman—Miss Evelyn Starkel, Lazarus Brothers, Tulsa, Okla.

GROUP No. 9.—INDUSTRIAL BANKERS (*Pompeian Room*)  
Chairman—John J. Mason, Secretary-Treasurer, Morgan Plan Company, Inc., Mobile, Ala.  
Vice Chairman—E. L. Murphy, Peoples Finance & Thrift Co., Birmingham, Ala.

GROUP No. 10.—OIL AND REFINERY (*Parlor "C"*)  
Chairman—L. C. Petree, Division Credit Manager, Mid-Continent Petroleum Company, Tulsa, Oklahoma.

SERVICE DEPARTMENT AND SUPERVISING COLLECTION DEPARTMENT CONFERENCES—

Will Meet Tuesday Afternoon, Wednesday Morning, Thursday Morning and Afternoon. (See departmental programs.)

SERVICE DEPARTMENT—Room 210

SUPERVISING COLLECTION DEPARTMENT—Room 200

### WEDNESDAY AFTERNOON

JUNE 20

1:00—ASSEMBLY—Music—A. B. ("Sandy") Sinclair, Kansas City, Mo., Song Leader.

RECONVENE—A. P. Lovett, President, National Retail Credit Assn., Kansas City, Mo.

1:15—ADDRESS—"Recovery and the Retailer"  
John Guernsey, Editor, "Retail Ledger," Philadelphia, Pa.

1:45—ADDRESS—"Consumer Credit in the Oil Industry"

W. L. Reed, General Credit Manager, Shell Petroleum Corporation, St. Louis, Missouri.

2:15—ADDRESS—"Have Faith in America"

Walter W. Head, President, General American Life Insurance Company, St. Louis, Missouri.

3:00—ADDRESS—

General Hugh S. Johnson, Administrator, National Recovery Administration, Washington, D. C. (*National Radio Hook-up*)

4:00—ADDRESS—"Are American Business Standards Passing?"

Hon. J. Elmore Holmes, Attorney, Memphis, Tennessee.

4:30—OPEN FORUM—"Promoting New Business Through the Credit Department"

DISCUSSION LEADER—Charles M. Reed, First Vice President, National Retail Credit Association; Co-Author with John T. Bartlett of "Credit Department Salesmanship"; Denver, Colorado.

5:00—REPORT OF FINANCE COMMITTEE.

M. G. Riley, Chairman, Manager, Merchants Association Credit Bureau, Kansas City, Mo.

5:15—REPORT OF NOMINATING COMMITTEE.

5:30—ANNOUNCEMENTS AND ADJOURN.

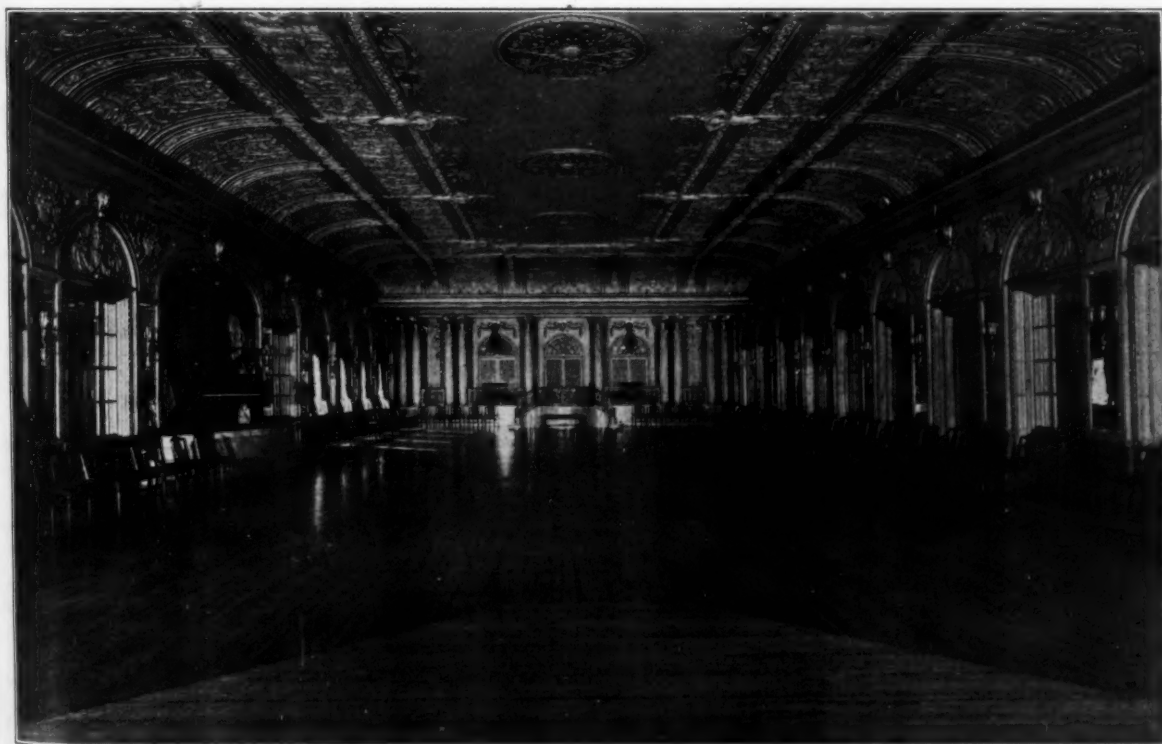
PARLIAMENTARIANS—Hon. Lawrence McDaniel, St. Louis, Mo., Hon. Harry P. Hovey, Kansas City, Mo.

### THURSDAY MORNING

JUNE 21

9:00—ASSEMBLY—Music—A. B. ("Sandy") Sinclair, Kansas City, Mo., Song Leader.

(Continued on page 18.)



Convention Hall—Hotel Peabody, Memphis, Tenn.

# LAST CALL -- Memphis

## A Credit Convention And Business Conference "In Tune With the Times"

The Twenty-First Annual Convention of the National Retail Credit Association—Memphis, Tenn., June 19-22—will be the first in two years. So, we are making every effort to make it a "double-strength" meeting—a hard-headed, "brass-tacks" business conference "in tune with the times"—with a constructive program that will more than repay every delegate for his time and attendance.

### Nationally Known Speakers

**GENERAL HUGH S. JOHNSON**

Administrator, NRA

**RUSSELL HARDY**

Special Assistant Attorney General of the United States

**JOHN GUERNSEY**

Editor, "Retail Ledger"

**WALTER W. HEAD**

President, General American Life Insurance Company

**DR. CLYDE WILLIAM PHELPS**

Head of Department of Economics, University of Chattanooga

**PROFESSOR ARNOLD PERSTEIN**

Department of Public Speaking, University of California

**W. L. REED**

General Credit Manager, Shell Petroleum Corporation

And thirty-two other speakers—members of the National Retail Credit Association—who will address the Convention on specific credit topics and Association problems.

*Daily Open Forum Discussions  
On Live Credit Topics*

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Hotel Peabody, Memphis

## Memphis Convention

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# hi Convention - - June 19-22

## Group Conferences Daily

Three half-days of "get-together" meetings, where representatives from various lines of business—Department and Women's Wear Stores, Men's Wear, Tires and Accessories, Hardware and Building Material, Public Utilities, Furniture, Jewelry, Shoes, Industrial Bankers, Oil and Refineries—may discuss the problems peculiar to their own particular businesses.

"Shirt sleeves" meetings these, where all may join in earnest, direct discussions—ask questions, answer them—and work out their "bread-and-butter" problems.

## Business Equipment Exhibits

Exhibits and demonstrations of modern office equipment and methods—supplemented by the chance to learn the advantages and disadvantages of each, through the practical experience of other credit executives.

## And Entertainment? Not a Dull Moment!

With true Southern hospitality, our Memphis hosts are planning entertainment features for every spare moment:

Evening entertainments for the delegates—afternoon entertainments for their wives—and a "Night in Dixie": The Annual Banquet, with real Southern viands and Southern entertainment features, tintured with real Southern hospitality and chivalry!

And last but not least, the "Surprise Thriller" of the Banquet night! It's a secret—jealously guarded by the Memphis Convention Committee—but George Lawo says: "You cannot laud the Surprise Thriller too highly as no matter what the delegates may be led to expect they will not be disappointed!"

"All of the entertainment," he continues, "planned for Convention delegates takes place at night and will in no way interfere with the Convention program. The afternoon entertainments will be for the wives of the delegates and other ladies who are not credit or bureau managers."

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Chairman Peter McClellan, Chairman,  
Co. Hall Clothing Co.

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See the  
Program  
in  
This  
Issue  
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## Convention Program

(Continued from page 15.)

- 9:15—RECONVENE—Arthur P. Lovett, President, National Retail Credit Association, Kansas City, Missouri.
- 9:20—REPORT OF CREDENTIALS COMMITTEE.
- 9:30—ADDRESS—"Our Legislative Activities"  
James R. Hewitt, Chairman, Legislative Committee, National Retail Credit Association, Credit Manager, The Hub, Baltimore, Maryland.
- 10:00—ADDRESS—"Value vs. Cost"  
Hon. Camille Kelley, Judge, Memphis Juvenile Court, Memphis, Tennessee.
- 10:30—ADDRESS—"Bankruptcy and Its Relation to Retail Merchandising"  
R. Preston Shealey, Washington Counsel, National Retail Credit Association, Washington, D. C.
- 11:00—ADDRESS—"Here's How"  
A. B. Buckeridge, Executive Manager, Credit Bureau of Greater New York, Inc., New York City.
- 11:30—ACTION ON FINAL REPORT OF BY-LAWS COMMITTEE.
- 12:00—NOMINATIONS FOR OFFICERS AND DIRECTORS—Election.
- 12:15—ANNOUNCEMENTS.
- 12:30—ADJOURN.  
PARLIAMENTARIANS—Hon. Lawrence McDaniel, St. Louis, Mo., Hon. Harry P. Hovey, Kansas City, Mo.

## THURSDAY EVENING

JUNE 21

### "A NIGHT IN DIXIE"

- 6:30—ANNUAL BANQUET—Hotel Peabody Roof.  
GEORGE A. LAWO, Presiding.  
TOASTMASTER—Hon. Lawrence McDaniel, St. Louis, Missouri.  
ADDRESS—"It Can be Done—But How?"  
Professor Arnold Perstein, Department of Public Speaking, University of California, Berkeley, California.  
"SURPRISE THRILLER"  
DANCE—On Peabody Roof—Music by Waldman's Orchestra.

## FRIDAY MORNING

JUNE 22

- 9:00—ASSEMBLY—Music—A. B. ("Sandy") Sinclair, Kansas City, Mo., Song Leader.
- 9:15—RECONVENE—A. P. Lovett, President, National Retail Credit Association, Kansas City, Missouri.
- 9:30—ADDRESS—"Our Bad Check Problem"  
Harold J. Hooper, Director, Retail Merchants Protective Service, Oklahoma City, Oklahoma.
- 10:15—ADDRESS—"Inter-Bureau Reporting"  
John N. Keeler, Chairman, Service Department Committee, National Retail Credit Association; General Manager, Credit Reporting Company, Portland, Oregon.

- 10:45—ADDRESS—"Dependable Collection Service"  
Warren M. Milham, Chairman, Supervising Collection Department, National Retail Credit Association; Manager, Kalamazoo Retail Credit Association, Kalamazoo, Michigan.
- 11:30—REPORT OF RESOLUTIONS COMMITTEE.  
RECOMMENDATIONS FROM GROUP CONFERENCE MEETINGS  
WHERE SHALL WE MEET IN 1935?
- 11:45—UNFINISHED BUSINESS
- 12:00—INSTALLATION OF NEW OFFICERS
- 12:30—ADJOURN  
PARLIAMENTARIANS—Hon. Lawrence McDaniel, St. Louis, Mo., Hon. Harry P. Hovey, Kansas City, Mo.

## PROGRAM of the Service Department and the Supervising Collection Department Memphis, Tennessee June 19-22, 1934

Bureau Managers and Collection Department Managers, will meet with the Credit Executives for the General Convention Program sessions, Tuesday morning, Wednesday afternoon and Friday morning.

The Committees, in the preparation of this program, selected speakers because of their intimate knowledge of the subjects assigned.

Sessions begin promptly at 9:00 A.M. and 1:30 P.M. Be on time and remain through each session. Your opinions on the subjects under discussion will be beneficial.

## TUESDAY AFTERNOON

JUNE 19

### Joint Meeting of Service and Supervising Collection Departments (Room 210)

- 1:30—CALL TO ORDER—By John N. Keeler, Chairman, Service Department Committee.
- 1:35—INTRODUCTION OF MEMBERS OF THE SERVICE DEPARTMENT COMMITTEE—By John N. Keeler, Chairman, Service Department Committee.
- INTRODUCTION OF MEMBERS OF SUPERVISING COLLECTION DEPARTMENT COMMITTEE—By W. M. Milham, Chairman, Supervising Collection Department Committee.
- INTRODUCTION OF DIRECTORS, DISTRICT MANAGERS, AND REPRESENTATIVES OF THE NCCRC—By A. D. McMullen, President, National Consumer Credit Reporting Corporation.
- 1:45—APPOINTMENT OF SERVICE DEPARTMENT COMMITTEES—By John N. Keeler, Chairman, Service Department Committee.
1. Rules and Regulations
  2. Nominations
  3. Resolutions
  4. Special



2:00—APPOINTMENT OF SUPERVISING COLLECTION DEPARTMENT COMMITTEES—By W. M. Milham, Chairman, Supervising Collection Department Committee.

1. Rules and Regulations
2. Nominations
3. Education
4. Grievance
5. Standardization
6. Legislative
7. Ethics
8. Uniform Retail Rates
9. Forwardees and Forwarders

2:15—ADDRESS—*"The National Consumer Credit Reporting Corporation"*—A. D. McMullen, President, National Consumer Credit Reporting Corporation; Manager, Oklahoma City Retailers Association, Oklahoma City, Okla.

2:45—REPORT OF SPECIAL STATE AND GROUP STATE ASSOCIATION DELEGATES COMMITTEE.

3:00—ADDRESS—*"The Service Department"*—By John N. Keeler, Chairman, Service Department Committee, Portland, Oregon.

3:15—ADDRESS—*"The Bureau's Part in Meeting Present Day Business Needs"*—By Wm. R. Arendt, Retail Credit Bureau, Inc., Little Rock, Ark.

3:30—ADDRESS—*"Supervising Collection Department"*—By Warren M. Milham, Chairman, Supervising Collection Department Committee, Kalamazoo, Michigan.

4:00—ADDRESS—*"How to Meet Rising Costs Due to Shorter Hours, Etc., Under the NRA"*—By A. B. Buckeridge, Manager, The Credit Bureau of Greater New York, Inc., New York, N. Y.

4:30—OPEN FORUM—(See list of subjects for discussion under heading "Open Forum Subjects"). Discussion Conductor, Floyd J. Habein, Special Representative, NCCRC.

6:00—ADJOURN

## WEDNESDAY MORNING

JUNE 20

9:00—CALL TO ORDER—By John N. Keeler, Chairman, Service Department Committee, Portland, Oregon.

THE SUPERVISING COLLECTION AND SERVICE DEPARTMENTS WILL MEET JOINTLY (IN Room 210) FOR THE FOLLOWING ADDRESS:

9:00—ADDRESS—*"The Relationship Between Bureaus and Attorneys and the Encroachments by the Former Upon the Legal Prerogatives of the Latter"*—By Roy A. Huckaby, General Counsel, Retail Credit Association Collection Department, Oklahoma City, Oklahoma.

9:30—DEMONSTRATION—*"How to Develop an Inter-Bureau Report"*—By Oliver C. Reed, Manager, Mesa County Credit Association, Grand Junction, Colorado.

10:00—OPEN FORUM—Discussion Conductor, V. E. Carlough, Manager, Passaic and Bergen County Credit Bureau, Paterson, New Jersey.

10:15—ADDRESS—*"NCCRC—Problems as Found in Contacting Prospects, Users, and Supervising Bureaus"*—By Frank T. Caldwell, Manager, Western District NCCRC, San Francisco, California.

10:45—PRELIMINARY REPORT OF RULES AND REGULATIONS COMMITTEE.

PRELIMINARY REPORT OF NOMINATIONS COMMITTEE.

11:00—ADDRESS—*"Whys and Wherefores of Contents of Report Forms Used by NCCRC"*—By J. Vance Wallace, Manager, South Central District Office, NCCRC, Dallas, Texas.

11:30—ADDRESS—*"How to Sell and Keep Members Interested in Bureau Service"*—By Edward J. Strasma, Manager, Kankakee County Credit Bureau, Kankakee, Illinois.

12:00—ADJOURN.

## THURSDAY MORNING

JUNE 21

9:00—JOINT MEETING OF SERVICE AND SUPERVISING COLLECTION DEPARTMENTS (Room 210)—John N. Keeler, Chairman, Service Department; Warren M. Milham, Chairman, Supervising Collection Department.

SUBJECT—*"Transferring the Functions of the Service and Supervising Collection Departments to the NCCRC"*—By J. C. Deremo, Manager, Merchants Service Bureau, Grand Rapids, Michigan.

10:30—SUBJECT—*"Plans for Financing the NRCA"*—By S. E. Shermantine, Manager, Retailers Credit Association, San Francisco, California.

## Open Forum Subjects

### For Discussion by Service Department Open Forum

AT 4:30 TUESDAY AFTERNOON, JUNE 19  
AND 4:30 THURSDAY AFTERNOON, JUNE 21

RECORDING LEGAL AND MISCELLANEOUS INFORMATION.  
HOW BUREAUS CAN SERVE BANKS.

HOW TO KEEP BULLETINS ALIVE AND INTERESTING.  
HOW DO YOU COMPILE REPORTS ON RURAL POPULATION?

BEST METHODS FOR SELLING SERVICE.

LATEST IN CARD INDEXING.

USE OF DELINQUENT LETTERS.

METHOD OF HANDLING SKIPS.

OFFICE PLANNING AND EQUIPMENT.

DUTY OF A SERVICE DEPARTMENT MEMBER TO AN ADJACENT UNORGANIZED COMMUNITY.

BEST METHOD OF SECURING FUND FOR ADVERTISING (PROMPT PAY) CAMPAIGNS.

IS CHARGING MEMBERSHIP FEE GOOD PRACTICE?

ARE CREDIT MEETINGS PRACTICAL—HOW OFTEN SHOULD THEY BE HELD?

THE BUREAU INCOME—HOW TO ENLARGE IT.

EFFICIENT METHODS OF SECURING, DEVELOPING, AND HIRING CORRESPONDENTS—UNIFORM FEES.

USE OF M., T., O., F., AND L. TICKETS.

IMPORTANCE OF DENTAL AND MEDICAL GROUPS.

SHOULD NRCA SET UP SOME MEANS OF ASSISTING VARIOUS STATES IN LEGISLATION VS. LAY AGENCIES?

## THURSDAY AFTERNOON

JUNE 21

- 1:30—CALL TO ORDER—John N. Keeler, Chairman, Service Department Committee, Portland, Oregon.
- 1:35—ADDRESS—*"Hiring and Training Reporters and Other Bureau Personnel"*—By Walden F. Muller, General Manager, Retail Merchants Credit Association, Los Angeles, California.
- 2:00—OPEN FORUM—Discussion Conductor, Floyd Miller, Manager, Pontiac Credit Bureau, Pontiac, Michigan.
- 2:15—ADDRESS—*"Reciprocal Reporting"*—By L. S. Gilbert, Manager, Credit Service Exchange, Atlanta, Georgia.
- 2:45—OPEN FORUM—Discussion Conductor, George C. Morrison, Manager, Merchants Credit and Adjustment Company, Toledo, Ohio.
- 3:00—ADDRESS—*"How to Develop Reports Outside Your Own Town by Establishing and Training Correspondents"*—By J. C. Rayson, Manager, Retail Merchants Association, Tulsa, Oklahoma.
- 3:30—OPEN FORUM—Discussion Conductor, J. Fred French, Manager, Merchants Credit Bureau, Manchester, New Hampshire.
- 3:45—REPORTS OF COMMITTEES:
1. Final Report, Rules and Regulations Committee
  2. Final Report, Nominations Committee
  3. Election
  4. Resolutions
  5. Special
- 4:15—REPORT—SPECIAL CODE ORGANIZATION COMMITTEE—By A. B. Buckeridge, Chairman, Manager, Credit Bureau of Greater New York, Inc., New York City.
- 4:30—OPEN FORUM—(See list of subjects for discussion under heading "Open Forum Subjects.") Discussion Conductor, Floyd J. Habein, Special Representative NCCRC.
- 5:30—ADJOURN

## SUPERVISING COLLECTION DEPARTMENT

### TUESDAY AFTERNOON

JUNE 19

- 2:00—JOINT MEETING—Service and Supervising Collection Departments (Room 210).

### WEDNESDAY MORNING

JUNE 20

THE SUPERVISING COLLECTION AND SERVICE DEPARTMENTS WILL MEET JOINTLY (IN ROOM 210) FOR THE FOLLOWING ADDRESS:

- 9:00—ADDRESS—*"The Relationship Between Bureaus and Attorneys and the Encroachments by the Former Upon the Legal Prerogatives of the Latter"*—By Roy A. Huckaby, General Counsel, Retail Credit Association Collection Department, Oklahoma City, Oklahoma.
- 9:30—CALL TO ORDER—By Warren M. Milham, Chairman, Supervising Collection Department Committee. (Room 200.)

- 9:30—PRELIMINARY REPORT OF RULES AND REGULATIONS COMMITTEE OF THE SUPERVISING COLLECTION DEPARTMENT.

PRELIMINARY REPORT OF NOMINATIONS COMMITTEE.

- 9:45—REPORT OF EDUCATIONAL COMMITTEE—By Lyman P. Weld, Chairman; Collection Manager, The Longmont Creditors Adjustment Service, Longmont, Colorado.
- 10:00—ADDRESS—*"Personal Collection Service"*—By Bernard R. Cantor, Manager, Adjustment Department, Retail Credit Association of Portland, Inc., Portland, Oregon.
- 10:30—OPEN FORUM—*"The Outside Collector"*—Discussion Conductor, Harry P. Hovey (Harry P. Hovey and Associates) Kansas City, Missouri.
- a. Value
  - b. To What Extent Should One Be Used by the Small Bureau?
  - c. How to Use to Best Advantage
  - d. The Results Obtainable
  - e. What Compensation Should Be Paid?
- 11:15—OPEN FORUM—*"The Office and Its Procedure"*—Discussion Conductor, P. H. Sachs, Manager, Collection Department, Retail Merchants Credit Bureau, Inc., Baltimore, Maryland.
- a. Handling of New Claims—Types of Service Used.
  - b. Which is Preferable—Telephone or Mail?
  - c. Follow-up—How Often Should Claims Be Worked?
  - d. Office Interviews—Who Should Handle?
  - e. Reports on Claims and Remittances—How Often Should They Be Made?
- 12:00—ADJOURN.

## THURSDAY MORNING

JUNE 21

- 9:00—JOINT MEETING—Service and Supervising Collection Departments (Room 210).

## THURSDAY AFTERNOON

JUNE 21

(ROOM 200)

- 1:30—CALL TO ORDER—By Warren M. Milham, Chairman, Supervising Collection Department, Kalamazoo, Michigan.
- 1:35—ADDRESS—*"Developing Consumer Collections Under the NCCRC"*—By Robert R. Sesline, Vice Chairman, Supervising Collection Department, Oklahoma City, Okla.
- 2:30—REPORTS OF COMMITTEES:
1. Final Report of the Rules and Regulations Committee
  2. Final Report of the Nominations Committee
  3. Election
  4. Special
- 3:00—ADDRESS—*"The Future of Consumer Collections"*—By Fred G. Stanley, President, American Collection Service, Detroit, Michigan.

3:30—OPEN FORUM—"Use of Form Letters"—Discussion Conductor, J. R. Arnhold, Collection Manager, Merchants and Manufacturers Association, Phoenix, Arizona.

- a. How Many Should be Used?
- b. Main Points to Stress.
- c. Special Forms Found to be Exceptionally Beneficial.
- d. Use of Business Reply Envelopes in Connection with Form Letters—Advantages and Disadvantages.

4:00—OPEN FORUM—"The Forwarding of Claims"—Discussion Conductor, E. A. Stranquist, John T. Ross and Associates, St. Louis, Missouri.

- a. When Should a Claim be Forwarded? Should the Forwarder First Try to Collect or Should Claim be Immediately Forwarded Upon Receipt?
- b. Rules and Regulations of S. C. D. as to Forwarding.
- c. Should a Uniform Blank be Used in Forwarding?
- d. When Should a Forwarded Claim be Returned?
- e. Use of Rosters, Law Lists, etc., When Forwarding.
- f. Class of Claims That Should Not be Forwarded—Outlawed Claims, Claims Under \$5.00, When Debtor is Known to be Worthless.

4:30—ADDRESS—"Building a Nation-Wide Consumer Collection Service"—By Earle B. Dows, Collection Manager, Minneapolis Credit Service Exchange, Inc., Minneapolis, Minnesota.

5:00—OPEN FORUM—Discussion Conductor, J. E. Mullendore, Manager, Collection Department of the Retail Merchants Association and Associated Retail Credit Men, Inc., Tulsa, Oklahoma.

5:30—ADJOURN

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## Karpeles Heads Birmingham Association

At their annual meeting on May 17, the Associated Retail Credit Managers of Birmingham elected the following officers and directors:

Leo M. Karpeles, President; Paul C. Vaughan, First Vice-president; Miss Elinor Martin, Second Vice-president; B. Y. Cooper, Third Vice-president and W. V. Trammell, Secretary-Treasurer.

Directors elected were:

Mr. T. M. Nesbitt, Chn.	Miss Gertrude Kessler
Mr. G. B. Bagley	Mr. S. G. Lacey
Mr. W. V. Beddow	Mr. R. W. Lackman
Mr. E. Browdy	Mr. E. G. Mudwilder
Mr. H. G. Burnett	Mr. Edw. L. Murphy
Mr. A. E. Cross	Mr. R. E. Nelson
Mr. V. S. Elliott	Mr. T. A. Nickel
Mr. W. E. Gant	Mr. W. O. Oliver
Mr. J. G. Holland	Mr. O. E. Rollings
Mr. W. E. Hooper	Mr. Geo. C. Steele.

"We expect to double our membership next year," writes Mr. Trammell, the Secretary-Treasurer.

## Northwest Council of Breakfast Clubs Organized at Northwest Conference

With the organization of the Northwest Council of Retail Credit Women's Breakfast Clubs, the long-hoped-for drive for the organization of a National Association was given its initial impetus on Sunday, May 13, 1934, in Tacoma, Washington. Coincident with the convening of the Pacific Northwest Council of Retail Credit Associations, for their 14th Annual Conference, officers and delegates from the various Breakfast Clubs met to formulate plans for the organization of a Northwest Breakfast Club Association.

Officers and delegates present represented Tacoma, Seattle, Spokane and Everett, Washington; Portland, Oregon; and Vancouver, B. C., and the plans, as previously formulated by the Tacoma Credit Women's Breakfast Club, were presented by Margaret Taylor, President of the Tacoma group.

After lengthy discussion, the group effected a complete organization, adopted by-laws, and set for its purpose "The furtherance of Retail Credit Women's Breakfast Clubs, and to work in close conjunction with the National Retail Credit Association." Officers elected were Avadana Cochran, Bremerton, President; Margaret Taylor, Tacoma, Vice-president; Edith Shaw, Portland, Secretary; Ethel Dopp, Spokane, Treasurer; and Sue Hutton, Vancouver, B. C., Corresponding Secretary.

The vigorous efforts of the Tacoma group were well reflected in the unusual interest displayed, and the speedy decision to work toward the organization of a National Association to work hand in hand with the N. R. C. A. The five hundred guests of the Northwest Conference were unanimous in their opinion that the work of the Breakfast Clubs had contributed very largely to the success of the Conference, and the spontaneous reception of the new organization points plainly to the need for a national group. The basic idea of giving women engaged in retail credit activities a full interest in the work of the association makes the need for such a body a real one.

—MARGARET TAYLOR, President,  
Tacoma Credit Women's Breakfast Club.

P. S. The membership of the Tacoma Credit Women's Breakfast Club is 91 and it has been organized 16 months.

» » »

"On-to-Memphis"—National Convention—June 19-22.



Margaret Taylor

### POSITION WANTED

Accountant and Credit and Collection Executive desires connection with wholesale or retail concern. Best of references. Address Box 62, The CREDIT WORLD.



# Collections and Credits

By MRS. IDA BALLINGER JOHNSTON  
Secretary-Treasurer, Brown-Johnston Company (Electrical  
Equipment), Spokane, Wash.

**C**OLLECTIONS and credits—a fascinating subject to one who works in this department of any business. A world all to itself with joy and tragedy therein and filled and running over with human reactions. The credit manager should be a real upbuilder, helping those who deal with him to meet the problems of their daily credit in an upright and honorable manner.

His should be the task of trying to make the Golden Rule come true—of “Doing unto others as you would have others do unto you,” and not to do others before others do you, as it is so often applied. No one has a finer opportunity to help humanity to stand for the right.

All those who purchase must be made to understand that they must pay when due, and if some unforeseen thing should occur that makes it impossible to meet payments at specified times, then they should at once make full arrangements in regard to indebtedness. When the credit manager has made the purchaser definitely understand the above, which can be done with kindly courtesy, there is little difficulty in regard to any account.

The fault often lies with the salesman. Good salesmen or saleswomen sell their wares so that those who buy want to pay. However, it is not always that a sales force operates in this manner. Too often they sell to those who can't afford to buy and through coercion the credit manager gives in. Then it takes unlimited tact, perseverance and eternal vigilance to collect. This means hours of extra work reaching people in their homes, or places of abode, and attempting to make them feel the responsibility of their purchase. (Whenever people who are careless are made to pay their just debts they become much better citizens in every way.)

No credit manager should ever be afraid or nervous in approaching those who are indebted to his firm. Of course, the delinquent should always be approached in a very courteous manner, but definitely made to understand that the debt must be paid. If he is not able to pay, an arrangement should be made as to when it can be paid.

Ninety-nine cases out of one hundred can be collected if handled in this manner, but be sure to never lose sight of the 1 per cent who are more difficult. Never allow these people to forget the account, but continually present your bill, personally if possible, and unless they take bankruptcy, or are real crooks, it is usually possible to

eventually make collection. In these times, and especially in 1933, these latter cases were often handled by accepting work or other merchandise in payment. Eternal vigilance usually brings results.

With the wonderful set-up which our Retail Credit Associations have, we can get definite information in regard to our customers from one end of the world to the other. We should certainly put forth our best effort in every way to cooperate with our credit associations, and we should call our local bureau always if not positive as to the rating of customers.

It is important to report to our association all past due and delinquent accounts giving correct information available to us pertaining to any account that is either good, bad or doubtful. Also it is imperative that we be acquainted with the laws (both state and national) governing our particular line of merchandise, and the laws governing contracts, lien rights, and so forth, so that we may definitely know how to proceed when necessary.

A good credit manager should at all times be agreeable and helpful to the sales force, should be well dressed and neat in appearance, should be a well-informed person with a wide range of information in regard to financial set-ups, particularly in his own line and community. He should be able to meet pleasantly and easily all kinds of people, should be able when necessary to say “no” positively, yet in such a way that the average customer may realize that he is right in his judgment.

He should never have (which he often does) an inferiority complex in his own place of business, for be assured that a good credit manager is a vital controlling force, and it is his duty at all times to live up to his position. The credit manager should be able to soar in the airplane of the supersalesman, and yet bring the plane down in a good landing when necessary without jolting it or destroying the ardor of the salesman.

We are truly approaching a new era when character and worth will be recognized, and as we have said, with the wonderful set-up available for getting information, we should and will be more able to build into the lives of many men and women with whom we come in contact the fundamental principles of right and worth. The credit manager has a big job and one not to be taken lightly, for those who deal with the pocketbook deal



also with the very hearts of men and women. They hear all the WHYS of each account that is not paid promptly, and they must conduct themselves so that they are bulwarks to their organizations, and still so that the customer feels he is getting just and fair treatment.

Much has been said in the past as to the lack of prestige of the credit manager. Let the credit manager know his business, be helpful in solving the many problems that confront the business of today, be informed as to his line of work, stand always for the right, be on the alert to help, and I am sure that he will be the person whose judgment is most sought after by everyone from the management down.

And after all is said and done can there be anything finer to follow through on than to "render unto Caesar the things that are Caesar's, and unto God the things that are God's"? For when one pays his honest bills he has a character that helps and upbuilds not only his own life but all those who come in contact with him. These people, in every community, are the *upbuilders*, the real props, on which our civilization stands.

Look into any community and see those who are not responsible as to their financial obligations, and no matter how brilliant or accomplished in other lines they may be, they are the "leaners" on the Road of Life. They take energy from all those whom they contact, putting a tremendous load on them, for as Ella Wheeler Wilcox has so aptly said: "There are just two kinds of people on earth, the people who lift, and the people who lean."

## "In Conference"



## at the MELBOURNE HOTEL

The life blood of a business house - its sales force - seated at the conference table planning the year's campaign! They chose the Melbourne because of the secluded quiet of its conference chambers - its excellent food - its central location with the finest theatres in St. Louis within one block - and in these days of shorted budgets because of Hotel Melbourne's mighty reasonable rates.

Your sales conference will accomplish more, at less cost, if held at the Melbourne Hotel.

**400 ROOMS** all with bath \$2.50 and more

ON U.S. HIGHWAYS 40 AND 64

with excellent garage facilities

O. R. GREATHOUSE Manager

ON LINDELL BLVD. AT GRAND AVE. ST. LOUIS

## Goodrich Company's Credit Men 100 Per Cent in Attendance at Northwest Conference

The following paragraphs are from a letter from Wm. H. Keplinger, District Credit Manager of the B. F. Goodrich Rubber Co., Seattle, Washington:

I have just returned from the Northwest Credit Conference in Tacoma and you will be interested to know



Goodrich Credit Men at Northwest Conference

that the Goodrich Company had 100 per cent representation with every one of our Retail Store Credit Managers in attendance. Mr. Whiteaker, the Wholesale Credit Manager, and I both put on our "retail hats" during the convention.

We took a page from The May Company's book and held our own little conference while we were all in attendance at the main show. The boys were all enthusiastic about the conference and next year when the meeting is held in Seattle, we expect to have an Automobile and Accessory Group. We met the situation this year by dividing our men up into the various groups.

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## Educate Your Customers!

(Continued from page 11.)

profitable buying customer, by training him in the prompt payment of his account.

It is definitely established that average incomes have increased. Additional increases are daily called to our attention. If we are to succeed in converting these "past-due" paying accounts into prompt paying accounts, we must begin our education at the first sign of an increase in the pay envelope. If we do not train him where the additional money should be used, someone else will!

## POSITION WANTED

Credit or collection manager. Young man (29) married. Three years' experience assistant credit manager large midwest department store. Two years as collection adjuster (with territory of three states) for large electrical appliance company. Address Box 63, CREDIT WORLD.

# The North Central Convention - - To be Held in Duluth, July 8-11

By ROBERT M. GRINAGER

**T**HE Associated Retail Credit Men of Duluth, Minnesota, and the Merchants Credit Association of Superior, Wisconsin, will act as hosts to the 1934 Convention of the North Central States which will be held at the Hotel Duluth in Duluth, July 8, 9, 10 and 11.

A very novel invitation was extended to the North Central Conference and its Board of Directors while they were meeting with the Twin City credit men at the Annual "Twin Mix," held at Hotel Radisson, Minneapolis, April 17. Unknown to all but Ben Collins, Duluth and Superior, thirty-five strong, chartered a bus and attended the Twin Mix. On arrival, they marched single file into the dining hall where, after a fine dinner, they presented their requests for the '34 convention in song, a clever bit of verse from the able pen of Abner C. Pearsons set to the tune of "Let Me Call You Sweetheart."

Rumors that originally whispered, "There might be a convention in '34," have grown to definite rumblings which grow louder every minute, and now loudly proclaim, "There will be a '34 convention—IN DULUTH—July 8, 9, 10 and 11." Credit men and women of Duluth and Superior (Remember that great meeting of 1930?) have all put their shoulders to one wheel. Superior's invaluable assistance is assurance that this will be the biggest and best North Central Conference ever staged.



—Cut, Courtesy Minnesota Arrowhead Association

Enthusiasm is running high in both cities. Think of it! The North Central Conference in convention at the Head of the Lakes—and in July! It will be summer in the Arrowhead. By then the worms will be out of cold storage and the robins will wax fat on the lawns—these worms make swell bait for you who can build your vacation trip around the Twin Ports Convention and then go on into the great North Country of Minnesota and Wisconsin to enjoy real wilderness fishing.

The word has been spread. Nothing will be overlooked in the way of entertainment, convenience or, if you please "CREDIT." The Associations of both cities are ready and well prepared to royally entertain, and the cities' reputations for genial hospitality and true Northern friendship will be upheld. The "Welcome Mat" is at the door. The open hand of Friendship and Cooperation is openly extended to all members and friends. Won't you accept it? You are urged to come and to enjoy yourself—and to brush up on your credit ideas—and, better yet, if you have some good thoughts on credit that will help the rest of us, bring them along.

## Plan to See and Enjoy the Arrowhead With Convention

In the northeastern part of Minnesota is a wonderful unspoiled playground where Mother Nature, in a prodigal mood, bestowed more varieties of beauty and recreation than can be found in any other one spot in the world. This alluring vacation-ground is named the "Minnesota Arrowhead Country."

The Arrowhead Country, a vast area from the north shore of Lake Superior to the water courses of the Canadian Boundary—from the headwaters of the Mississippi to Pigeon Point—the tip of the arrow, was named by a Pittsburgh man who traveled through this region.

"For years I have believed that man can love scenery. It is a primal instinct, as the love of a man for a woman. There are times when the very cells of our bodies cry out for deep forests and the reflection of sunlight upon water. I shall never forget the beautiful views of island-dotted lakes that passed before my eyes as I traveled through the Arrowhead Country."

Do the "very cells of *your* body cry out for deep forests and the reflection of sunlight upon water"? Are you tired of cities and crowds? Does the summer heat depress you? Are you an angler or a hunter of game? Like Antaeus of old, do you want to renew your health and strength by contact with Mother Nature?

Then follow the trail to the "Arrowhead." There you will find isolation as sweet and complete as our first parents knew in the garden of Eden. There you will know the joy of cool, bracing days, and deep sleep at night beneath wool blankets. There you will find a sportsman's paradise, with fish and game abounding in the many streams and lakes and in the virgin forests. There you may paddle your canoe along the waterway trails, and when at night you lie down on your bed of balsam boughs, you can smile up at the stars and feel at peace with the "Great Sky Father."



A. C. Pearsons

#### **Experienced Committee Heads Handle Convention**

Mr. Harold Pederson will be General Chairman of the Convention, while veteran convention goers including A. C. Pearsons, George Fairley, and James Dugan are lining up the program. These men are all "convention-experienced" and are striving to outdo any former regional conference ever held.

This program will be a product of well-planned and constructive thinking by the progressive credit men of the entire section. Meetings will start and stop per schedule (You may recall that Superior's "Creditville Express" was never recorded late) and will be packed brimming full with thoughts and ideas and other valuable information pertaining to credit work.

And "Just for fun"—there's the boat ride to Agate Bay on Lake Superior. There'll be music, good food, and lots of it, dancing (and beautiful things to dance with) good scenery and cool weather.

Promise yourself a trip to the Twin Ports. Keep that promise. You'll be glad you did.

#### **Why a Convention?**

Anyone who has attended Retail Credit Granters' and Credit Bureau Managers' Conventions during the past twenty-five years could take at least a day if he attempted to touch even the high spots and explain a few of the numerous reasons why every man and woman engaged in the retail credit departments should take advantage of every opportunity and attend every NATIONAL, DISTRICT, AND LOCAL CONVENTION.

The world's libraries afford very little from which to study the lesson, and a fund of book knowledge is nothing more to the successful retail credit manager or credit bureau secretary-manager than the guidepost. It is very true that it will guide in a general direction or even over a more or less definite route, but what about the ups and downs and ins and outs, and the numerous trials and tribulations that are encountered every day of the year along these would-be professional lines?

#### **Practical Experience Only Will Guide to a Successful Destiny.**

Imagine SEVEN CREDIT MANAGERS going into a huddle and swapping experiences, ideas, forms, and systems, and you will imagine that among the seven there will be four brand-new experiences, ideas, plans or systems exposed, and you will admit that at least five out of the seven credit managers profited by the exchange, so that in this transaction, among the seven credit managers, the group collectively receive about 500 per cent profit or dividends for the effort.

The few credit leaders who went into a similar huddle in August of 1912 at the Davenport Hotel in Spokane, Washington, did not realize this fact in that little nine-handed game of GIVE AND TAKE. As a matter of fact, it was nothing more than a penny-ante game, for the hat was passed to buy postage stamps, letter paper and envelopes with which to broadcast the glad tidings to all the then known credit granters, and, by the way, it did not take over two hours to address envelopes to all the credit granters known to be interested in a National organization.

The gospel has been preached, heard, and practiced in our everyday service. It is regrettable that so many retail credit executives do not really appreciate the true value of the NATIONAL RETAIL CREDIT ASSOCIATION.



George Fairley

Won't you as an affiliated credit executive study your lesson, read all that may be available, and assemble yourself and your co-workers into every delegation that may be preaching and spreading the gospel of ADVANCED CONSUMER CREDIT CONTROL and a COMMUNITY CREDIT POLICY?

To you all is extended a most hearty and cordial invitation to gather at Duluth (July 8, 9, 10, and 11), the playground city of our Nation; the place that Nature left to please you who love Nature and the great outdoors.





# THE PRESIDENT'S MESSAGE

ARTHUR P. LOVETT

President National Retail Credit Association

**T**HIS world of ours is made up of Yesterdays, Today's, and Tomorrows, and we must make each day count. Yesterday, I was Tomorrow; Today, I am on the exit of Yesterday, and the threshold of Tomorrow; Tomorrow, I shall have been Yesterday. And when I am Yesterday, I am gone from you as president of your National Retail Credit Association.

I am the last of a long procession of days—Yesterdays—streaming behind you, but I hope never away from you, pouring into mist and obscurity, and at last into the ocean of oblivion.

Each of your Presidents has had his moments of triumph, of defeat, of laughter, of bitterness; yet each has left something either of value to your association or something in your subconsciousness.

When the curtain drops on this fiscal year, I depart from you, yet I shall remain with you, watching Today's become Tomorrows, and Tomorrows, Yesterdays—each with its aspirations, its triumphs, its burdens, its defeats or its victories. Each day in our Association's history is a memorable one—either for good or bad, either for progression or recession.

We try to follow in the footsteps of our leading Yesterdays, doing our duty as we see it today, going about our work constructively and as capably as we know how, building for the future of this structure—constructed on sound credit methods—our National Association. After twenty-one years, today we still are constructing and perfecting—looking toward the future—tomorrow, and tomorrow, and tomorrow.

Among us there are two classes of minds. One is dominated by the past, and the other by the future. Whenever you find two or more men gathered together, you may witness the clash of these two types. There are conservatives and progressives, liberals and stand-patters, orthodox and heretics, the adventurous and the safe, all of which amounts to saying that there are souls gripped by what is to be, and souls gripped by what has been.

Both tendencies need the moderation of common sense.

So, let's go into Convention at Memphis with this thought in mind, that whatever is done, is done rationally, sanely, skillfully—in a way that will reflect honor and progressiveness upon our Association.

“Creation's cry goes up  
From age to cheated age.  
Give us the men who do the work  
For which they get the wage.”

And the least we can do, is to do well what we find to do—do it with skill and enthusiasm, so that we may move forward in step with each other. The will to do is important, and the ambition to do is necessary, and hard work counts; but one essential to any excellence which we must not overlook, whether in craftsmanship or character, is time.

It has been said that from your chin down, you are worth about a dollar and a half a day; from your chin up, you are worth—anything. There's no limit. So—clean up your thoughts. Don't have your mind like the dining table after a banquet, or the floor after a political meeting. Sweep it and dust it; put the ideas away where they belong. Don't have a wastebasket mind, or a top-bureau-drawer mind.

Keep your ideas stored carefully away in readiness for presentation at the opportune and right moment. And if success isn't met with at once—yet you are thoroughly sold on your advocations—keep on working toward the future; or, if other and better ideas and plans may be presented, keep your mind an open book—with unbiased opinions, ready to consider, analyze, and arrive at solutions in harmony with the best thinkers amongst you. But be persistent in all progressive moves.

Rome was neither built nor destroyed in a day. Neither can our Association be, for time and effort, and rational thinking are required for progress—and success, “Fortune's fickle jade.” If she



doesn't say yes the first time you ask her, ask her twenty times. And after a while she will favor you, for she loves importunity!

These are my farewell words to you—the one hundred and fifty thousand members of our Association—my last message as President of the National Retail Credit Association.

Says the Chinese Li Ki, "The services of Hau Ki were the most meritorious of all under heaven. But all he longed for was that his actions should be better than the fame of them." And like Hau Ki, during my presidency, all my actions have been with the thought of you, the members of this Association, in mind. And my most earnest hope and desire is that I have done my duty to myself and our Association members, in the best possible manner.

I am Yesterday. My actions of yesterday were—as I felt—duties fulfilled. And it has been my sincere desire to lend every endeavor to the betterment and the perfection of our great organization.

If there be any way in which I have not fulfilled my duties to the best of my ability, I am sorry. If there be any way in which I may be of service, lend advice or assistance to the Tomorrows to come, it needs only the asking. And, like the Chinese Hau Ki, it is my earnest hope that my actions have been better than any fame of them.

As your President, "Farewell."

## Mail Order Credits

(Continued from page 10.)

In his efforts to judiciously extend credit, the mail order credit man must depend largely on character credit reports.

Mail order character credit reports must be completed and dispatched as promptly as possible by the reporting bureau. The elapsed mailing time plus time required for shipment of the order makes it imperative that action be taken upon each request for a report immediately upon receipt of that request.

Mail Order Character Credit Reports must be extremely accurate. The element of chance in mail order credit granting makes it necessary that only absolutely true information is given. Mail order companies have assumed huge losses as a result of securing incorrect credit information in the past.

In the final analysis the mail order credit man must interpret the three "C's" of retail credit in a somewhat different manner. The interpretation might be expressed thus:

Capital.—*Financial Worth*, income sufficient to meet living expenses plus obligations.

Capacity.—*Future Prospects*, being able to continue at present level or to improve position.

CHARACTER.—The item of major importance,

which will assure you that your applicant will fulfill his contract even though you and he are miles apart.

There are still large possibilities for pioneering work in the mail order credit field. A central credit interchange bureau could be set up to compile information which would prove extremely valuable not only to the mail order companies but to all credit lines. Then, too, there is an urgent need for a national collection organization of unquestioned record. Such a collection organization would play a major part in preventing a waste of this country's economic resources through credit losses.

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## St. Louis Planning Special Train Service to National Convention

The Associated Retail Credit Men of Saint Louis, Mo., have arranged, through their transportation chairman, for special train service from St. Louis to the National Convention in Memphis over the Frisco Railway.

If those wishing to join this party will kindly communicate with C. N. Merriam, 416 N. Fourth St., St. Louis, Mo., he will be only too glad to give them the full details.

If you attended the Los Angeles or Providence Convention you will probably appreciate the quality of this service.

» » »

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**Hotel Mayfair**  
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these Hotels—real beds  
comfortable rooms and  
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# WASHINGTON BULLETIN



R. PRESTON SHEALEY

Washington Counsel, National Retail Credit Association

## FOREWORD

**T**HE following bills—*H. R. 9505, H. R. 9506, H. R. 9507, H. R. 9504, H. R. 9487 and H. R. 9227*—representing the retailer's bankruptcy program, were introduced in Congress on April 19, May 4, and May 5, 1934, by Representative David J. Lewis, of Maryland, an influential member of the House of Representatives, through the efforts of your Washington counsel.

The House Judiciary Committee has referred the bills to the Attorney-General for his study and recommendation. Some preliminary work on the study of these bills has already been made by the Department of Justice and by the time Congress convenes again the study will have been completed. These bills could have been referred to a subcommittee of the House Judiciary Committee with possible hearings but the plan adopted has been preferred as being best calculated to produce results.

The bills, in text form, will be available at the Memphis Convention or can be obtained from the N. R. C. A. Washington office.

## Legislative

*H. R. 5950*, municipal reorganization, became a law as of May 24, 1934. It is now *Public Law No. 251*. *H. R. 5884*, bankruptcy, corporate reorganizations, passed the Senate, amended, May 4, 1934. It was sent to conference May 8, and on May 28, the conference report was re-committed but nevertheless it is expected to become a law.

Senator McKellar has introduced *S. 3513*, a bill to take away from U. S. District Judges the power to appoint referees in bankruptcy and investing the appointing power in the Attorney-General. Introduction of this bill is in line with the thought of N. R. C. A. leaders and much improvement in bankruptcy administration should be possible through overhauling of those portions of the act relating to referees.

*H. R. 9323*, National Securities Exchange Act, passed the House May 4 and passed the Senate, amended, May 12, 1934. It was sent to conference May 15, 1934, and will be passed before adjournment.

The Black-McKellar air mail bill went to conference and was agreed on by the conferees of the two Houses. At the time that this bulletin is written, May 31, the House has voted on the conference report. The conference report is expected to be approved by both bodies. It provides for competitive bidding on air mail contracts

with the Interstate Commerce Commission as the final arbiter on payments and the Comptroller General on competitive bids when other than the lowest bidder is proposed to be accepted.

The bill reduces the rate of air mail from 8c to 6c. The Washington office of the National Retail Credit Association has kept carefully in touch with this matter, believing that air mail is a matter of increasing importance to retail credit departments.

Hearings have been concluded on the Federal Communications bill at this writing, May 31, and is expected to be reported to the House and become a law before adjournment. It passed the Senate on May 15, and provides for the creation of a Commission to supervise and regulate communications similar to the functions of the Interstate Commerce Commission over railroads, including within the term "communications," telephone, telegraph, wireless and radio.

Early this session, a bill was introduced, with the approval of the R. F. C., to make direct loans to small industry and that bill was later followed by another measure which empowered Federal Reserve banks to make such loans if they could not be obtained from usual banking sources. A composite of both measures has passed both Houses of Congress and is expected to become a law before adjournment.

The bill extending the time for insurance of bank deposits to July 1, 1935, which passed the Senate March 12, was passed by the House in amended form on May 24, but the House increased the amount of insurance on deposits from \$2,500 to \$5,000 and also added provisions of a permissive nature authorizing further liquidation of the assets of failed banks.

This provision was not in the bill as it passed the Senate and will have to be threshed out in a conference of representatives of the two Houses. If it passes at all, it will not only be in permissive form but also with considerable changes, so it is said, from the form in which it passed the House.

Hearings have been concluded on *S. 3603*, the National Housing Act, and are now being considered by a subcommittee of the Senate Banking and Currency Committee. Its companion bill, *H. R. 9620*, is the subject of hearings before a similar committee of the House.

*S. 3500*, authorizing coinage of a 3c nickel piece, was taken up by the Senate Banking and Currency Committee on May 29, but nothing was done on the bill. *S. 1639*, a bill to establish a Federal Credit Union System, was passed by the Senate May 10. It is now before the House Banking and Currency Committee but no action has been taken. These three bills may not become laws before adjournment.

## Departmental

The National Retail Credit Survey, soon to be released, will show indications of improved retail conditions during the latter half of 1933. Specifically, the report shows that payments on accounts receivable are more prompt and that open credit sales (regular charge accounts) and installment sales (deferred payments) both show increases while cash sales show a decrease.

The bad debt loss on open accounts, as shown by the survey, for 1933 was 1.2 per cent, while in 1932 it was 1.4 per cent and on installment accounts 4.1 per cent for 1933 as contrasted with 6.7 per cent for 1932. The report indicates that the lower percentage of losses for 1933 is to be attributed not only to the better financial position of purchasers but also to more aggressive policies of credit managers.

Figures have recently been made available by the Department of Commerce on variety store sales in April, 1934, including in that category stores with sales from 5 and 10 cents up to \$1.00. The figures for April of the past three years, with seasonal adjustments, are as follows: April, 1934, 87.2 per cent; April, 1933, 77.5 per cent; and April, 1932, 83.5 per cent.

These figures showing an increase in variety store sales coincide with a somewhat similar gain of rural sales in April, 1934, as reported by leading mail order houses. April sales for this year were 20.1 per cent higher than the previous year and for the first four months of this year 40½ per cent higher.

## Court Decisions

*General Order in Bankruptcy No. 44*, as amended April 17, 1933, requires the appointment as attorneys for trustees in bankruptcy of those who have no interest adverse to the trustee or to other creditors. The Circuit Court of Appeals for the 2d Circuit (New York) in *Palmer v. Kennedy*, 69 Fed. (2d) 830, construing this rule states that while it may be supplemented it cannot be contradicted by local district court rules. In this particular case, the trustee presented a petition asking approval of a designated firm of attorneys as his counsel but the District Court (E. D. N. Y.) refused to make the appointment, would not permit the trustee to make another selection, and made a selection of its own.

The Court of Appeals in reversing this order told the District Court that the order was an abuse of discretion and also included, in its opinion, the following interesting comment:

"On the other hand, in general we regard it as inimical to good administration to fasten an attorney on the trustee against his will. The relationship between attorney and client is highly confidential, demanding personal faith and confidence in order that they may work together harmoniously. Only in the rarest cases should the trustee be deprived of the privilege of selecting his own counsel, and reasons which make it for the best interest of the estate to have the court select the attorney over the trustee's objection should appear on the record."

Adoption of codes has resulted in many interesting questions being raised in connection with Federal contractors. Executive Orders of August 10, 1933, and March 14, 1934, have made compliance with codes mandatory in the matter of bidders on Federal contracts but Henry Ford takes the position that these Executive Orders are not binding. However, the Supreme Court of the District of Columbia in a decision of May 24, 1934, *Northwest Motor Co. v. Secretaries of Agriculture and Labor*, held that certificates of compliance by bidders on Federal contracts must accompany bids.

Individuals can make charitable contributions, which, within certain limitations, are deductible from income tax returns but corporations have not that privilege. Many times, however, corporations are called upon to make contributions of a charitable nature. On May 2, 1934, the U. S. Board of Tax Appeals in *First National Bank v. Commissioner, etc.*, declined to permit such deductions when claimed by a bank as ordinary and necessary expenses of its business.

The Board in this connection points out some of the conditions under which such expenses may sometimes be allowed. They follow the general rule that there must be evidence tending to show that the taxpayer's "largess" increased its volume of business or that failure to make the contribution would have caused a loss of business.

There was no showing in the instant case that the donations claimed had benefited the bank's business and for this reason the claimed deductions were denied. This same rule would seem to apply to mercantile and other corporations.

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## New England Credit Conference

The 13th Annual Conference of the New England Retail Credit Grantors, held at Swampscott, Massachusetts, Monday and Tuesday, May 21 and 22, had a registration of 220 for the business sessions. About 300 were present at the banquet, Monday evening.

The conference was devoted principally to demonstrations, with only three addresses. One of these—on business letters—was a practical demonstration of credit office procedure and policies which are advantageous in promoting customer good will.

The interest in the program demonstrated by the delegates was the best testimonial to the success of the efforts of the committees responsible for the preparation and conducting of the sessions.

Although the Conference was scheduled to adjourn at 4:30 Tuesday afternoon, it was 5:45 before President Donilon dropped the gavel.

The printed program was unique in that it was printed on a card 3½ x 9 inches, the front of which carried the complete schedule of the business sessions. On the back was printed the names of officers and committees, with a sufficient space for memoranda.

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## Registration Fee for Delegates' Wives is Only \$5.00.

The Convention registration for wives of delegates is only \$5.00. This, of course, does not apply to women delegates.

» » »

## Available—Business Manager for Clinic, Hospital or Doctors' Group

One of our subscribers, well recommended, seeks a position as Business Manager of a large clinic or hospital. Twelve years' experience in this work: nine years as Business Manager of a large clinic, three years as Business Manager for a large group of doctors.

At present employed but desires change with larger opportunity. Age 40, married. Holds diploma (with a final grade of 98 per cent) in N. R. C. A. Credit Course. Address all communications: Box 121, The CREDIT WORLD.



# "How's Your Credit Rating?" Birmingham Asks Public

By JAMES SAXON CHILDERS

[An Interview With W. V. Trammell, President and General Manager, Merchants Credit Association, Birmingham, Ala. (Reprinted from Birmingham "News-Age-Herald")]

**M**OST people are honest and want to pay their debts," says W. V. Trammell, president and general manager of the Merchants Credit Association. "At least we still carry on this association on that assumption. We believe in each individual's honesty until we find out otherwise.

"There has in recent months developed a belief among certain business groups that nobody is entitled to credit in days so strenuous as these. Our records show that this belief is unjustifiable. As a matter of fact, in spite of depression and other adverse conditions, a large number of our citizens now owe less money than ever before. They have rehabilitated their standing, even though their income has been materially reduced during the past few years. Our files eloquently testify to their integrity and honesty."

What is this Merchants Credit Association, which maintains a file of cards that determines the credit ratings of more than 300,000 individuals and firms in this trade territory?

It is a cooperative organization of merchants, incorporated in 1907 as a central credit bureau supported by the business and professional men of this city. Its function is to furnish accurate and dependable information as to the character, income, and paying habits of the individuals who compose this community. This information is furnished to business and professional men as a guide to them in the handling of their credit problems.

The association occupies the entire third floor of the Exchange Building, 2109 First Avenue, North, and during normal times employs between 75 and 80 persons. At present there are 45 employees.

The association, through its dependable, unbiased recording of credit transactions, enables the merchant safely to build and increase his business through the judicious granting of credit. By constantly sorting the good from the bad credit customers, this central credit bureau enables business and professional men practically to eliminate credit losses. The increased volume of sales made possible by this granting of credit enables each merchant to buy his merchandise on a more substantial basis and to meet competition by constantly offering better merchandise for less money than would otherwise be possible.

The extent of the use of credit reports furnished by the association is indicated by the fact that approximately 80 per cent of all credit transactions in the Birmingham dis-

trict are based on credit reports issued by this central credit bureau.

The association's membership comprises not only representative merchants and business men in all lines, but professional men as well. Physicians and dentists are organized in the medical-dental division, which is served by a corps of specially trained employees.

The master credit cards on more than 300,000 individuals and firms are being constantly revised and brought down to date. Daily the association gathers from official public records all facts affecting the credit standing of Birmingham citizens.

These facts are recorded on the master credit cards and usually are included under one or more of these classifications: Realty transfers, mortgages, suits, bankruptcies, removals, marriages, births, deaths, divorces, newcomers, new incorporations, judgments, lease sale contracts. In addition to these and similar facts, a special record is kept of those men and women who are known to be chronic returners of merchandise, bad check passers, impostors, slow accounts, and profit and loss accounts.

In addition, many other facts gleaned from many other sources are recorded from day to day on these cards. The average citizen would, no doubt, be surprised if he could read some of these master cards. He may, for instance, think that there is no record on him.

The chances are that he is mistaken, that such a record is kept, and that it may date back 15 or 20 years, starting when he opened his first charge account in some other city. That card very likely will show his age, place of birth, where he was reared, who his parents were, whether he is married or single, owns his own home or any other property, his occupation now and in the past, his income, his paying habits and various and sundry other information.

To most persons there is something of a mystery in the way in which the association gets all this information. Some of the facts, as has been said, are gathered from public records. Most of them come from sources of confidential information, especially from the hundreds of members of the association. Every time a person in Birmingham asks for credit from any member of the Associated Retail Credit Managers of Birmingham, a request is made of this bureau for a credit report. If the bureau has had similar requests by other merchants or professional men, each of these men is called for "ledger information"; that is, for exact figures and dates, not



merely for opinions—exactly what credit was extended, under what terms did the applicant agree to pay, on what dates and specifically what amounts did the applicant actually pay.

All this information is added to the applicant's card for permanent record, and a complete report is made to the inquiring member. In the event the applicant has not had any credit extended to him since his arrival in Birmingham, the Merchants Credit Association in this city then obtains a copy of his credit record in the city from which he came.

Credit bureaus are found in practically every city, town and village in the United States. Each of these bureaus is an integral part of the National Retail Credit Association, and its files are maintained not only for the benefit of the local community but are available to every other bureau in the country. More than 1,200 credit bureaus, with credit records on more than 60,000,000 individuals, are organized and operated for the benefit of every American, so that no matter where he may go, he may still have the benefit of the credit record he has established for himself.

Wherever he goes that credit record is certain to follow. If the record is good, it will promptly establish him in the new community and enable him to obtain credit freely. If it is bad, it will just as surely block him in his desire to enjoy the use of merchandise before actually paying for it.

"The local credit bureau," said Mr. Trammell when interviewed in his office, "does not make your credit good or bad. You and you alone do that. The bureau does not have any chance whatever unjustly to influence your credit standing. The bureau does not deal in opinions, it asks for facts, and it expects to get them. If a bureau began coloring these facts, it would not be long before it would be out of business.

"In the matter of credit, you are the absolute maker and master of your destiny. If you keep faith with all your creditors and pay your bills promptly, your credit record is bound to be good.

"Primarily, of course," says Mr. Trammell, "the association is operated for the benefit of the merchants and professional men. But I consider our ability to help the individual find himself and reestablish himself to be perhaps the really important, human part of this Merchants Credit Association. By showing the buyer the actual status of his financial affairs we often prevent overbuying, and by aiding him in keeping his accounts and his bookkeeping properly we protect the customer as well as the merchant.

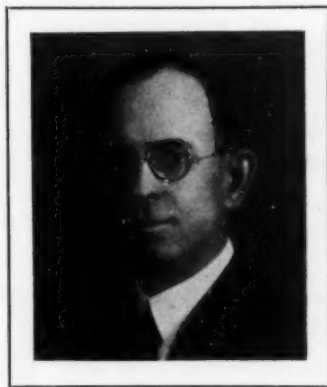
"One of the questions most frequently asked members of this association's staff is how the records of individuals during the last three years of depression will affect the credit rating of the future. Our answer is this: If he has maintained a good credit reputation in the past, and if he has, because of reduced earnings or unemployment, been a long time liquidating but has shown a sincere desire to pay and finally did pay; if he is now out of debt

and wants to reestablish himself, has a permanent job or sufficient earnings that will enable him to take care of charge accounts, he can start off with the same confidence on the part of his creditors that he had in the past. In such a situation the credit managers of the respective stores will give every aid to the debtor who, during the period of stress, has shown good faith in meeting his obligations to the best of his ability."

To the young generation now trying to find itself in a somewhat disturbed business world and now trying to establish credit, the head of the Merchants Credit Association offers the suggestion that each young man apply to any responsible store in the regular way and give the credit manager all information desired; or come to the Merchants Credit Association and give this information for the benefit of all retail establishments. This same rule is applicable also to newcomers to the city. Students from out of town especially stand in need of having their records on file, thus avoiding complications in times of emergency.

In addition to the reporting department, there are many departments into which the activities of the Merchants Credit Association are divided. These include the personal service bureau or personal report department; property department, collection, finance service plan, publication of the *Daily Commercial Journal*, the medical and dental division, and various other departments.

"In each of these departments a special effort is being made," said Mr. Trammell, "to do its part in the real human problem of moulding character. For, strange as it may seem to cynics and materialists, such institutions as the Merchants Credit Association have a prominent part in strengthening the characters of men, especially under such conditions as have prevailed during the last three or four years. It helps particularly in impressing on young men just starting out on business or professional careers the fact that a clean credit record is essential to those desirous of making a success."



W. V. Trammell

Continuing, he said: "The average layman in recent years somehow has become obsessed with the idea that as a result of the depression, no one has any credit standing. He is wrong. The fact is that associations like this are

assisting thousands to reestablish their credit. Many who in former years have been guilty of overbuying and who almost ruined their credit have at last realized the seriousness of their mistake and have set about paying up their debts."

Leaders of the Merchants Credit Association, as well as of the Associated Retail Credit Managers are especially interested in preventing bankruptcies. "As a last resort and in order to relieve themselves of the responsibility incurred, as a result of living above their means, many seem to believe that bankruptcy is the only way out," said Mr. Trammell. "These persons forget that bankruptcy will always stand as a mark against their credit record, even though they may consider the act justified by circumstances. The Merchants Credit Association is always more than willing to suggest other ways and will aid to the fullest in carrying out these suggestions rather than see the individual hampered forever by a record of an attempt to repudiate obligations."

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### Kansas City Association Elects

The Retail Credit Association of Kansas City, Mo., held its annual meeting on May 23 and elected the following officers:

J. Willard Smith, President; L. J. Marsch, First Vice-President; S. S. Bishop, Second Vice-President; and M. G. Riley, Secretary-Treasurer.

Mr. Smith, the new president, is part owner of a chain of the largest garages in Kansas City, is an enthusiastic credit association worker and has accepted the post as chairman of the Automobile Tire and Accessory Group at the Memphis National Convention.

### Los Angeles Association in New and Larger Quarters

**O**F MUCH interest to business circles in Southern California, and indicating an optimism of confidence in the future, was the announcement on April 21, 1934, that the Retail Merchants Credit Association of Los Angeles had moved from its former offices in the Sun Building to more commodious quarters in the Subway Terminal Building at 417 South Hill Street, Los Angeles, where more than 13,000 square feet of office space are available for the various association activities.

The object of the move is best evidenced by the fact that the continual expansion of the association since its organization in 1908 forced the association to vacate the offices it had occupied for the past eleven years in the Sun Building, and expand into larger space in a most modern type of building, with increased facilities for serving the members, including an elaborate telephone system of a two-position private switchboard exchange and a twelve-position turret order board, with sixty pairs of incoming telephone cables with direct lines to all of the principal downtown stores.

In its new location, the floor plan presents an efficient coordination of all departments on one floor, with ample facilities for committee conferences and meetings of the Board of Directors and the Board of Managers; executive offices for the several department managers; interviewing offices for both the Report Department and the Adjustment Department; public relations, bookkeeping and cashiers' offices properly located to be accessible both from the viewpoint of the public and that of the administrative offices; and with ample space, naturally lighted and well ventilated for the use of the clerical staffs, investigators, reporters, and collectors.

Constantly seeking higher ideals and greater attainments, the association is owned and operated by Los Angeles merchants and banking interests, with a sound consumer credit structure its aim. Integrity, efficiency, and economy are its basic operating principles, with promptness, accurateness and low cost the logical results. Indicative of its steady growth is the fact that 1,500,000 standard consumer credit reports are now in the files of the association. This means that a million and a half individuals have applied for credit in Los Angeles' merchandise establishments, and that their history, antecedents, character, financial condition, and debt-paying reputation have been investigated and submitted to the business houses where applications for credit have been made.

During the past six years, the Los Angeles association has completed 1,000,000 of these investigations, resulting in that many complete standard consumer credit reports being compiled upon the community's purchasing population. Every year 170,000 new reports are written. The association's Adjustment Department has collected \$1,039,361 from claims during the last five years.


The operation of the Retail Merchants Credit Association of Los Angeles forms an important chapter of Los Angeles' business activity, and has proved a powerful influence in the growth of Los Angeles. With its 120 employees, the association is performing a mutual service to buyer and seller. The purchaser who wishes the advantage of a charge account is accommodated without cost to himself, and the business house which extends credit to him is protected by the cooperative efforts of all the members of the association to maintain a sound consumer credit structure.

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